The China Weekly

REVIEW

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In the Fields of Finance and Reconstruction

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CONTRIBUTING EDITORS

C. Y. W. MENG — DANIEL J. LEE
S. C. YANG (Harbin) — TRYPHON KU
MARK M. LU (Honan) — CHANG YA-CHUEN
FLORENCE WONG (London)

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WASHINGTON OFFICE
J. J. Underwood—Correspondent
Colorado Building, Washington, D. C.

FILIPINO INDEPENDENCE AGITATION COOLS A LITTLE

ONE of the inevitable effects of the Japanese invasion of Manchuria has been to put a damper on some of the enthusiasm of the Filipino politicians for independence. It has often been said that if America stepped out of the Philippines the Japanese would gain political control of the Islands and the Chinese would obtain economic control. The Filipinos have the natural pride of race and even before America occupied the Islands their cry for freedom was conveyed to the world through Rizal and other patriots. The natural result of the American system in the Philippines has been to accentuate the latent desire of the Filipinos for national self-sufficiency. From the very beginning of America's occupation an excellent school system was introduced, and the principles of American freedom, as contained in the Declaration of Independence, were instilled into the minds of the Filipino youth, together with more prosaic subjects. It was inevitable that when the Filipinos heard so much about freedom that they should want more of it, and as a matter of fact, except for a few main, and certainly important, points, they have been given much freedom. In local matters the Filipinos have absolute freedom of action. One of the criticisms levelled against American policy in the Philippines by foreign writers is that although America stands as the champion of the Open Door in the Far East it has anything but applied that principle in the one spot where it has the power absolutely to put it into effect—namely in the Philippines. The United States maintains free trade between the Islands and the homeland, but enforces fairly heavy duties on imports from other countries. Undoubtedly this has been a benefit to the Filipinos in respect of securing a good market for Filipino products. Thus, for example, cocoanut oil and sugar, two important Filipino products, are relieved of competition from other Far Eastern producing centers, particularly the Dutch East Indies and the Straits Settlements, and find a protected market in the United States. The American example, and also the benefits of free trade with the United States have raised the Filipino standard of living far beyond that of any other Asiatic people. The Filipino people fully appreciate the fact that they have been able to develop this high standard of living mostly as the result of the privileges that they enjoy under the American

flag, but, as the Filipino political leaders have pointed out on many occasions, there is another side to this matter of free trade with the United States. The very existence of this free trade system makes the realization of the Filipino dream for independence all the more difficult, as one of the almost inevitable results of the severance of the political tie with the United States will be the abolition of the free trade system with the American mainland. This will mean that the Filipino exporters will be suddenly brought face to face with the low-scale competition of the Straits and the Dutch East Indies and this will inevitably cause such economic upheaval in the Islands as to seriously hinder the success of an independent Filipino nation from the very start. However, so long as the Japanese are on the rampage on Manchuria, and so long as the Japanese Army remains in Manchuria, Filipino politicians are brought face to face with the possibility that the same fate that is overtaking Manchuria may some day overtake their beloved Islands. As between American benevolent control or ruthless Japanese domination, the Filipinos naturally prefer the former. In the event that America should finally grant the Filipinos their freedom, adequate steps would doubtless be taken to prevent Japan or any other Power from stepping into the place which America vacates. But in this connection it is always to be remembered that time is working for the elimination of all Western colonial possessions on Asian soil, particularly on the eastern shores. The first to go was the Russian-developed port of Dairen, the Port Arthur stronghold and the hinterland comprising the Liaotung peninsula; that was in 1905. The next to go was the German developed port of Tsingtao with the hinterland, Kaiochao; that was in 1915. Which one will be the next? Will it be the British colony of Hongkong, the American Philippines, French Indo-China, the British Malay possessions, or the Dutch East Indies?

THE BACKGROUND TO THE JAPANESE INVASION

IN order to understand the motives of the Japanese onslaught into Manchuria it is necessary to go back a little in history. From the Japanese point of view, it has been a long history of being thwarted in what they consider legitimate aspirations. Going back to the war between China and Japan in 1893, Japan was thwarted in holding on to the Liaotung peninsula by the joint action of France, Germany and Russia, who in a note expressed the idea quite politely, but none the less firmly, that it would be conducive to the peace of the Far East if Japan withdrew from the Peninsula. The Japanese did withdraw, only to see the Russians, by devious diplomacy, slip into the territory which they had vacated. This humiliation was wiped out by the Russo-Japanese War, as a result of which the Japanese once more came into possession of Liaotung. Since that time there has not been anybody to order them out and they have remained. The fruits of the Russo-Japanese War were, however, far below the expectations of the Japanese populace, and when the provisions of the Portsmouth Treaty became known in Japan riotous demonstrations of protest took place and the Japanese peace delegates were mobbed when they returned home. The Russo-Japanese war, however, provided the Japanese with the opportunity to get their revenge against one of the trio, namely Russia, that had forced the Japanese to retire from Liaotung in 1893. When the European War broke out Japan had its chance again. This time revenge was taken by the Japanese on the second of the trio (namely Germany) which had forced them out of Liaotung. The capture of Kaiochao from the Germans by the Japanese in 1915 once more awakened in the hearts of Japan the dream of domination in China. When the original notice was given to Germany by Japan to withdraw from Kaiochao it was accompanied by the declaration that it was done "with the view of the eventual restoration of same to China." In August, 1914, Count Okuma, then Premier, in a message to the American people through the *New York Independent*, stated that "Japan has no ulterior motive, no desire to secure more territory, no thought of depriving China or other peoples of anything which they now possess." This was all clinched by Count Okuma adding, "My Government and my people have given their word and their pledge, which will be as honorably kept as Japan always keep promises." Those last few words are really "gems."

At any rate when the war was over it developed that Japan had made a secret treaty with the Allies granting her special claims and privileges in Shantung. It was also disclosed then that the Japanese idea of restoring Shantung to China was based on the supposition that this only applied provided Germany had given up Kiaochao without a fight; the position was quite different, the Japanese said, when they had to fight the Germans to get them out. So the matter of Shantung dragged on until as a result of the Washington Conference Japan was compelled by international pressure, with America in the lead, to abandon Shantung. Thus once more was the Japanese dream of a foothold on China soil thwarted.

Now to take up another angle. Old residents of the Far East, when the Russian revolution broke out, freely expressed the opinion that one of the results would be that the Japanese would gain a huge dominion in the Maritime provinces and probably also get the rest of the Russian railway in Manchuria — the part they didn't get as the result of the Russo-Japanese war. The history of the dispatch of Allied troops, including Japanese and American to Siberia, in 1918, is somewhat clouded, but the ostensible object was to secure the safety of the Czecho-Slovakian troops, who starting as protagonists of the Central Powers had been freed by the fortunes of war and were from then on to be counted as Allies. The net result of the expedition was, however, that there was grave suspicion on the part of the other Powers that Japan was using the occasion with a view to gaining a colonial foothold. Japan sent a much larger body of troops than had originally been agreed on, and there was a protracted delay in their eventual withdrawal. Massacres and local revolutions by the Russians were given by the Japanese as the reasons for their continuing to remain on Russian territory. There were fre-

quent exchanges of Notes between America and Japan on the subject, the net result of which was that American pressure was brought on Japan to withdraw her troops from Siberia, and withdraw them she eventually did, but looking back over the files containing the recital of the events of that period one gets the impression that but for American pressure the Japanese would have gained a permanent foothold in the Russian Maritime provinces. It was once more a case of Japanese ambitions being thwarted. And now comes the Manchurian adventure. This time Japan firmly hopes to "get away with it."

HOW CHINESE ECONOMIC PENETRATION CONQUERS

ALTHOUGH it is the spectacular military events of the last two months in Manchuria that hold the attention of the world, the fact should not be lost sight of that it is the more prosaic and slower economic and racial forces that determine the future course of history. This is true everywhere in the world and always has been. Take, for instance, the foundation of the American republic and the migration from Europe that preceded it. Coequally with the desire for greater political freedom that actuated the immigrants from Europe was the desire for better economic conditions—a chance to earn one's daily bread under easier conditions than had previously obtained. Back of the Chinese-Japanese struggle in Manchuria are gigantic economic forces. There is nothing fundamentally antagonistic in the natures of the Chinese and Japanese, as such. On the contrary, they have more in common racially than any other two peoples, and the problems that face them both, outside of their immediate quarrels, are in many respects identical. Both of them are face to face with a very determined effort to exclude them from large sections of the earth, and it may be taken for granted that once their own quarrels are settled they will unite to obtain for themselves a status more nearly on an equality with the Western world than is now accorded them. Manchuria is an objective for both the Chinese and Japanese, but for somewhat different reasons. The surplus Chinese population proceeds to Manchuria to found for themselves new *homes*. Generally speaking, although there is a much larger surplus population in Japan than in China, the Japanese people do not go to Manchuria to found homes for themselves. The main Japanese interest in Manchuria is economic exploitation, and back of this is the fact that in Manchuria the Japanese industrialists find a large proportion of the raw materials required for their manufacturing establishments. Once more let it be said that there can be no question of who in the end will possess this Land of Promise; it will be the Chinese who plant their feet firmly in the soil, and not the Japanese who come as military conquerors and economic exploiters.

When one takes up a map of the world one is struck with the immense areas which the Chinese people have been conquering in an economic sense. Many of the most desirable areas of the world are closed to the Chinese (and the Japanese also)—for example, Australia, the United States and Canada. It should be remembered, however, that the Chinese were not always excluded from America. By the Burlingame Treaty made between the United States and China just after the Civil War the Chinese were given free access to the United States. It was some years later, when this treaty was annulled, and entry of Chinese to the United States was practically prohibited, that the great migration of Chinese to the Straits Settlements, the Dutch East Indies, Borneo, Siam, and adjacent countries began in earnest. To-day in nearly all these areas the Chinese have economic dominance. It is they who own the principal estates and the principal mercantile establishments, and not the natives of the countries. As artisans the Chinese have long since surpassed the natives of the countries among whom they have taken up their abodes. Even in the Philippines where Chinese have been legally excluded for about three decades (although there has probably been much illegal entry) the Chinese have long since ousted the Filipinos in most of the lines of mercantile endeavor. Except on special occasions, these huge Chinese communities living in these Southeastern possessions, the great majority of which have the flag of some Western country flying over them, quietly go along developing their business enterprises and do not spend much time on political movements. But it is to be noted that, whenever some vital question arises, the voices of these Chinese communities become insistently articulate, and as time goes on they will become increasingly so. In due course there must come about a change in the political status of these areas and when that time comes the Chinese there will have a large share in determining what the future status will be.

***

The world has heard much in past years of the Yellow Peril, an agitation based more on prejudice than a knowledge of facts. The frequent clashes that occur between the Japanese and Chinese, for example, show that fundamentally there is no racial unity between the various Asiatic peoples, just as the European War demonstrated that fundamentally there is no racial unity between the white peoples. In that struggle both of the Western combatants were glad to avail themselves of yellow (or black) allies. Western nations on at least one previous occasion (in the case of Shantung province) came to the assistance of one Asiatic nation (the Chinese) when they were being held in bondage by another Asiatic nation (the Japanese); and in the present Manchurian dispute we have the spectacle once more of a League of Nations, dominated by Caucasians, being called on to settle another dispute between the same two Asiatic nations.

It will thus be seen that the Yellow Peril Cry is mostly noise. The only time that the Yellow people will combine—that is, assuming that they first settle the differences that arise between themselves—will be on purely practical grounds to secure the abolition of some injustice that the Western World has imposed upon them.

WHY DID CAPT. NAKAMURA CARRY HEROIN SUPPLY?

THE China newspapers, both Chinese and foreign, appear to have overlooked a so-called official report issued by the Japanese military authorities in Manchuria pertaining to the Nakamura murder case which was issued in Mukden on Sept. 29. In view of the conflicting reports which had appeared regarding the Nakamura case, the Japanese military authorities in Mukden announced that an official report compiled by the Kwantung Military Headquarters in Mukden was "shortly" to be issued. This announcement was made about Oct. 27 but for some reason the report was not issued in Mukden, or at least none of the foreign newspaper correspondents in that city seem to have reported it. However, the report did appear—not in Mukden—but in the English edition of the *Osaka Mainichi* on Nov. 1. The report is of considerable significance for several reasons, the chief one being that the Japanese military authorities used the Nakamura murder case in its propaganda campaign to stir up the Japanese people and prepare them for the Manchurian military occupation. Now it appears from the official report issued by the Japanese military authorities at Mukden on Oct. 29 that Capt. Nakamura, in addition to his other activities on the Mongolian frontier, carried along with him a quantity of heroin, a forbidden drug in China. The official Japanese military report as it appeared in the Osaka paper was as follows:

Special to The Osaka Mainichi

MUKDEN, Oct. 29.—The headquarters of the Kuantung army today issued an official statement giving the details of the murder of the late Major Shintaro Nakamura, of the General Staff Office, and his three companions by Mukdenite troops at Suekungyeh.

The details had been withheld so far out of consideration of the negotiations for the settlement of the case. According to the statement, the facts are as follows:

Major Nakamura (then captain and promoted to major as a posthumous honor), and his companions, including the late Entaro Isugi, a Russian, and a Mongolian, who were travelling with passports issued by the Mukden (Harbin?) authorities, encountered a squad of troops of the third corps of the Mukdenite Militia, while on their way to Suekungyeh in the region of the Hsingan Range on June 25. They were taken for bandits and were chased by the troops. After fleeing for some distance they made for Suekungyeh again.

All Arrested

While they were in a restaurant at Suekungyeh, they were arrested by 14 Chinese soldiers commanded by Wang Kang-yi, of the first "ying" of the Militia. Colonel Kuan Yu-heng, commander of the Militia, ordered his men to take Major Nakamura to the barracks where the Japanese were examined through an interpreter and their belongings were searched.

The following questions and answers were exchanged between the examiner and Major Nakamura:

Q. What is your name?

A. My name is Captain Shintaro Nakamura. The others are my companions. The Russian is called Hamitaishroff. I don't know the name of the Mongolian.

Q. What is your object in coming to China?

A. To observe the reclamation work and the railway conditions.

Q. For what do you use the heroin you possess?

A. It is only a drug.

The interpreter said that no drugs were allowed and the Chinese troops then tightly bound Major Nakamura and the others and locked them up. Colonel Kuan Yu-heng and other officers held a conference at 2 p.m. on that day and the revolver and other belongings of Major Nakamura were handed to Colonel Kuan. Major Nakamura and others were given two meals a day, their arms remaining tied.

Beaten With Leather Straps

Colonel Kuan sent four men to the room in which Major Nakamura was locked up at 10 p.m. on July 27, and binding the feet of Major Nakamura and the three others beat them with leather straps for half an hour. Two officers, Liu Tien-feng and Chang Heng, came to the room and ordered the men to bring a cart and a large can of kerosene oil. They also ordered the commander of the first "lien," Fu Chang-chun, to take Major Nakamura and his men to a point about half a mile east of the barracks and shoot them to death.

The soldiers took Major Nakamura and the others to Tungshankou in the cart, together with their five horses, and after shooting the men and the horses burned them. The commander of the militia strictly ordered the officers and men to keep silence about the matter to avoid complications and gave them some money.

On numerous occasions *The Review* has published reports from its correspondents in Manchuria dealing with the Japanese dope traffic in Manchuria and Mongolia which is most extensive and which centers within the zone of the Japanese Government-controlled South Manchuria Railway and within the Japanese Kwantung leased territory in South Manchuria. The headquarters of the dope traffic is usually handled by Japanese but the actual peddling of the drug through the provinces is conducted by Koreans who enjoy Japanese exterritorial "rights" and thus are free from arrest by the Chinese authorities. However, there also have been reports that the Japanese military establishment in Manchuria has been involved in the narcotics trade, a report to this effect having been made by Chang Chi, a member of the Nanking Central Executive Committee who made a trip through Manchuria several months ago. Mr. Chang charged that the Japanese troops stationed at Chinwantao, under the terms of the Boxer Protocol, were actively engaged in the dope trade. The Japanese diplomatic authorities in Peiping raised strong objection to Chang Chi's report and demanded an apology. This Chang Chi refused to do, declaring that while the Japanese Army in Japan may be well disciplined, this discipline does not extend to the Japanese military establishment in Manchuria which is engaged in all manner of activities, including the dispensing of narcotics. Now we have the official Japanese military report on the Nakamura murder case and there it is in plain type that the famous Capt. Nakamura who was shot by the Chinese military authorities on the Mongolian frontier, had in his possession a quantity of heroin, a forbidden drug? Why did Capt. Nakamura carry a supply of heroin? Obviously not for his own use! The answer is not difficult to find and it also applies to the charges made by Chang Chi regarding the dispensing of dope by the Japanese troops stationed at Chinwantao. It seems that the Mongols have a weakness for heroin, a weakness which is so pronounced that after once acquiring the habit a Mongol will do anything to obtain further supplies. It therefore seems logical to believe that Capt. Nakamura, who was engaged on an important mission for the Japanese General Staff to the Mongolian princes, carried along a supply of heroin for "diplomatic"

purposes. Further light on this subject is contained in an article appearing on page 490 of this issue of *The Review* entitled "Japan's Narcoticization of Manchuria," by Garfield Huang, General Secretary, National Anti-Opium Association of China.

YOUNG CHINA BECOMES MILITANT

ONE of the unusual spectacles to be seen in Shanghai during the past week was that of thousands of young Chinese, of both sexes, armed with bamboo deposit boxes, collecting funds to support General Ma Chun-shan, who has made himself a national hero by his stand against the Japanese in Heilungkiang. The methods of collection at times bordered dangerously near on rowdyism, and one Chinese lawyer was roughly handled by one of the groups when he refused to contribute on the ground that he wished to know whether that particular group was authorized by any responsible authority or not. The patriotism of the great majority of the groups was undoubted, and the Chinese newspapers have published lists of the contributions collected. The methods used were at times undoubtedly those of intimidation and coercion, but before any foreigners, particularly Americans, start to criticize such procedure they should reflect that identical methods were used in America during the World War years, and the situation in China is such today as to cause an even more tense atmosphere than existed in America at any time during the course of the war. The younger element of Chinese, urged on by more enthusiasm than wisdom perhaps, are particularly vociferous that something should be done to oppose the Japanese other than to sit idly by, or merely to carry on a boycott. One of these ebullitions occurred in Shanghai November 24 when more than a thousand students gathered at the Shanghai North station, probably a hundred of them armed, and vociferously demanded that they should be given free transportation to Nanking so that they could make a direct demand on the Government officials at Nanking to immediately dispatch a large body of troops to Manchuria to drive out the Japanese. This group of students from Shanghai was in addition to groups from Hangchow who also proceeded to Nanking for the same purpose, a large proportion of them being provided with free transportation.

THANKSGIVING DAY, 1931

AMERICANS in China celebrate Thanksgiving Day pretty much in the same way as do their fellow countrymen at home. The religiously inclined attend Church services and all who are in good health eat a specially good dinner, with turkey as the central dish. Instead of turkey it quite frequently happens that the central dish in a Thanksgiving dinner among Americans in China is a pheasant, or wild goose, or some other wild fowl, which are exceptionally plentiful and very moderate in price. Thanksgiving Day, as is well known, had its origin from early colonial days, and follows the custom set by the Pilgrims who set apart a day for thanksgiving at Plymouth, Massachusetts, immediately after their first harvest in 1621. It is the only really national holiday in the United States, that is, the only one definitely set apart by the national government as such. Thanksgiving Day is always observed on the last Thursday in November and the President of the United States annually issues a proclamation some weeks in advance setting aside that day, this year's festival falling on November 26.

The spirit of Thanksgiving Day is worldwide. It is one of those holidays which all, regardless of race or creed, can participate in without danger of friction. Here in Shanghai the custom has been for many years to have the Thanksgiving religious services held in the Holy Trinity (Church of England) cathedral and the same course was followed this year. As usual there was a large attendance, and it is probably correct to say that for some Americans in China it is the only religious service that they attend throughout the entire year.

Thanksgiving Day this year finds the world in an almost unprecedentedly depressed condition, and Shanghai is an exceptionally favored spot to get a correct perspective. From a military point of view, China's outlying region of Manchuria is the danger spot. As this is being written the telegrams speak of the possibility that Japan may formally declare war on China. But economically speaking both Europe and America are in a situation bordering on despair. It is not in a pessimistic spirt that it is said, but, just at the moment it would seem that economic conditions in the United States are, relatively speaking, worse than in any other country, not that America is in any danger of finding itself in the same plight as Britain of depreciating its currency, nor is the general level of life reduced to that obtaining in many Continental countries, but the disruption from the general American level is so serious as to make it seem worse than it really is. Conditions in the United States today are thus summarized by the *Christain Century*, a reliable and influential religious journal published in Chicago:

> "The whole country knows that it is dealing with a disaster of unparalleled proportions. And while the cotton growers of the south, the cereal raisers of the northwest, and the manufacturers of the eastern and central states remain wholly in the dark as to what is to start the stalled industrial machine, the first reports begin to come in of the actual approach of starvation. The medical authorities of Detroit are now responsible for the statement that in that city—in some respects our most characteristic product of the machine age—one person is starving to death every seven hours and fifteen minutes. In Chicago, the press is printing columns of appeal for the children who are fainting with hunger in the city's classrooms."

China Universities Urge Alfred Sze to Fight On

The Executive Committee of the Federation of Universities and Colleges in Shanghai, of which J. Usang Ly, president of Chiao-tung University, is chairman, sent a radiogram November 22 to Alfred Sao-ke Alfred Sze, Chinese Minister in London, and China's representative at the League of Nations, reading as follows: "Please insist upon evacuation of Japanese troops from Manchuria before discussion of any question. We want to assure you of our united support and warm appreciation of your loyal service to our Fatherland. Fight on!"

Japan Suggests a Commission of Enquiry, Thus Playing for Time

NOT since the Council of the League of Nations convened in the latter part of September to deal with the serious situation caused by the Japanese invasion of Manchuria has such a spirit of reasonableness pervaded any session as was in evidence at the public session in Paris on November 21, when the Council accepted Japan's proposal that a Commission of Enquiry should be sent to Manchuria and China, to investigate conditions on the spot. The meeting was characterized by a readiness to adopt a reasonable attitude. In his summing up of the situation, M. Briand the Chairman, pointed out that since the last meeting the Council had endeavored to find a pacific settlement of the question based on Article XI of the League Covenant. The resolution of the Council of September 30, he said, retained its force and the Council would have to seek appropriate means of realizing the provisions of it as soon as possible.

Mr. Yoshizawa, the Japanese representative, said that Japan fully adhered to the resolution of the Council of September 30, both in spirit and in letter. But China, he declared, had openly professed a policy of the unilateral denunication of treaties and had undertaken an open campaign against foreigners. She had endeavored, he said, to deny the legitimately acquired rights of Japanese and Koreans in Manchuria and wished to take away from them the fruits of their labors. After speaking in this vein, Mr. Yoshizawa suggested that a commission should be sent to the spot under the auspices of the League to gather unbiased information on the situation. The Commission, he said, should have no mandate to intervene in the Sino-Japanese negotiations, nor to supervise the movements of forces, but subject to these conditions Japan was prepared to withdraw her troops within the railway zone with the least possible delay. He added, incidentally, that Japan already had withdrawn a certain number of troops.

Dr. Alfred Sze, the chief of the Chinese delegation, replying to the proposal, said that the Japanese military occupation of Chinese territory, in violation of solemn treaties and the League Covenant, was the crux of the situation. No suggestion, said Dr. Sze, which failed to provide for the immediate cessation of all military operations and for the withdrawal of the Japanese forces—a withdrawal to be set in motion immediately and to be progressively executed in a very short time—could provide a solution of the problem. The Chinese Government, he said, could not bargain for the withdrawal of the Japanese troops or consent to that withdrawal being made dependent on anything else than the arranging of details for securing the safety of life and property in the evacuated areas.

Dr. Sze re-affirmed that China was prepared to assume full responsibility for the maintenance of order and the security of life and property of Japanese nationals in Manchuria outside the area of the South Manchuria Railway and if further assurances were deemed necessary, reasonable arrangements involving neutral co-operation under the auspices of the League would be accepted. Continuing, he declared the issue was plain. The time had come to act, for while they debated, suffering was increasing and irreparable damage was being done. Further delays, in his opinion, could only render the task more difficult and in order to obtain a rapid and complete evacuationa of its territory China asked that she be granted all rights and remedies which she might claim as a member of the League under Article XI and the further articles of the Kellogg Pact.

In the course of debate Dr. Sze emphasized that while China did not object to a commission as a means of acquiring knowledge of the situation, the Chinese Government would not for a moment agree that the creation of a Commission would excuse any delay in the complete withdrawal of Japanese troops. China, he reiterated, desired the cessation of hostilities and the withdrawal of Japanese troops and would not agree to any proposal except on that basis.

In subsequent debate Mr. Yoshizawa intervened to point out that the Japanese Government considered that an enquiry should be carried out in China as well as in Manchuria. In reply Dr. Sze referred to the Council's resolution of September 30, providing for the collection of information on the spot by neutrals. He asked whether neutrals had been sent to Nonni bridge and to Tsitsihar and emphasized that the principal point before the Council at present was cessation of hostilities and the withdrawal of troops, proportionately to the security in the country. He added that when he spoke of a commission he did not mean that he would await its constitution before presenting amendments. He did not mean to accept a plan of which he was ignorant.

Mr. Yoshizawa, replying to Dr. Sze, repeated the same formula that has been heard so often before, namely that "the Japanese Government was ready to withdraw its troops as soon as the situation effectively assured the lives of Japanese nationals and the security of their property." The Japanese Government, he declared, was at present occupied with the question of endeavoring to improve the situation, but it was still, very dangerous. He had, he continued, simply outlined the Japanese Government's proposal for a commission, and he suggested the details could be filled in later.

M. Briand, in bringing the session to a close, said that the Japanese proposal would be examined and he hoped it would be possible to draw up a resolution in this connection which would be accepted unanimously. Turning to Dr. Sze, M. Briand said he gathered that China was prepared to accept the proposal of a Commission, in principle, providing the Commission did not oppose the vital interests of the Chinese Government. In this connection M. Briand declared that the mere presence of a Commission would have a great effect in calming

the atmosphere. He pointed out, however, that pending its appointment and its functioning there must be no fresh acts of hostility, and he thought it would be necessary, therefore, to devise means that peace would not be disturbed by any such incidents. He added that he was sure that Dr. Sze, after obtaining the information he legitimately required regarding the Commission, would realize the need of an effort for co-operation. The Council, he concluded, counted on the collaboration of the Chinese and Japanese delegates in examining questions as to the size, the mandate and the scope of the Commission and how it should report.

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All of which sounds very nice. But when one considers the fact that it is now two months since the Japanese made their incursion into Manchuria, and that ever since then the world has heard the stereotyped phrase that "Japan is ready to withdraw its troops as soon as the situation effectively assures the lives of Japanese nationals and the security of their property," one can only come to the conclusion that the Japanese, by this gesture, are merely playing for time. In the meantime week by week the Japanese Army has been penetrating further into Chinese territory, capping the climax by the capture of Tsisihar, the capital of Heilungkiang province, on the night of November 18. The Japanese attitude is probably better illustrated by a dispatch from Paris dated November 19 that a Note had been delivered by Mr. Yoshizawa to Mr. Briand in which Japan declared that she would maintain military occupation of Manchuria, even though the lives and property of Japanese nationals seem secured. This telegram was printed with a double column heading on the front page of the *North China Daily News*, principal British organ in Shanghai, on November 21. No subsequent reference to this alleged Note was made in the telegrams from Paris; but regardless of whether Mr. Yoshizawa dispatched such a Note or not, the internal evidence indicates that Japan has no intention of receding from her present coign of vantage until forced to do so, and that any apparent concession that Japan may make, such as agreeing to the appointment of a commission of investigation, is put forward merely as a means of gaining time in order to consolidate the existing position.

Japan has systematically gone to work in each Manchurian area that she has occupied of setting up a "puppet" government, that is, she has allowed a set of Chinese officials to assume the posts vacated by the Chinese officials that have been driven out by the Japanese army, and this new set of officials, although doubtless given a fairly free hand in conducting routine Chinese affairs, are always made to feel that they hold their posts by favor of the Japanese, and whenever any question comes up that affects Japanese interests they will have to do as the Japanese say or get out. Thus at Tsitsihar General Chang Chinhui was the man selected by the Japanese to "reorganize" the Heilungkiang government, after General Ma Chun-shan had been driven out. Naturally, if the Japanese, as time goes on, can either force or cajole sufficient Chinese officials to do their bidding (to all intents playing false to the recognized National Government at Nanking) they may be able to eventually put up the plea that it is the Chinese themselves that request them to stay "to maintain order." And as a last resort, the Japanese may still have recourse to the idea of placing the "Boy Emperer" on a Throne at Mukden as the "Emperor of Manchuria." In due course, it might turn out that should it ever come to the point when the League really was on the point of taking some coercive action against the Japanese, the Japanese might make a gesture of withdrawing, only to be requested by a group of Chinese officials in Manchuria, or even by the "Emperor of Manchuria"—certainly not by the National Government—to remain. It would be a comical spectacle—but not without precedent in the world's history.

The League Council's Resolution of Sept. 30

The following is the text of the resolution adopted by the Council of the League of Nations September 30, frequent reference to which is made in the telegrams from Geneva:

1. The Council notes the replies of the Chinese and Japanese Governments to the urgent appeal addressed to them by the President and the steps already taken in response to this appeal.

2. The Council recognizes the importance of the statement of the Japanese Government to the effect that it has no territorial designs in Manchuria.

3. The Council notes the statement of the Japanese representative that his Government intends to continue as rapidly as possible the withdrawal of its troops, which is already in progress, to the railway zone, in proportion as the safety of the lives and property of Japanese nationals is effectively assured, and that the Japanese Government hopes to be able to carry out this intention as fully and as speedily as possible.

4. The Council notes the statement of the Chinese representative that his Government will assume responsibility for the safety of the lives and property of Japanese nationals outside the railway zone during the process of withdrawal of Japanese troops and the reestablishment of Chinese local authorities and police forces.

5. The Council is convinced that both the Chinese and Japanese Governments are anxious to avoid taking any action calculated to disturb the peace and good understanding between the two nations, and notes that Chinese and Japanese representatives have given assurances to the effect that their respective Governments will take all necessary steps to prevent any extension of the scope of incidents in Manchuria or of any aggravation on the situation.

6. The Council requests both parties to do all in their power to hasten the restoration of normal relations between them and, for that purpose, to continue and speedily to complete the execution of the undertakings mentioned above.

7. The Council requests both parties to furnish it at frequent intervals with full information with regard to developments in connection with the situation in Manchuria.

Paris Suggests America Call Another Washington Conference

A telegram from Paris November 25 indicated that as a result of China insisting that Japanese troops should be withdrawn from Manchuria by a certain date the League may decide to withdraw from the Manchuria dispute on the ground that China is not an "organized political entity," and in that case would merely pass a resolution urging peaceful negotiations. It was further indicated that in case of definite failure in Paris, the United States might assume the initiative in solving the conflict by calling a conference of the nine Washington Treaty Powers.

Nanking Kuomintang Congress Closes in Tense Atmosphere

The Fourth National Congress of the Kuomintang adjourned at Nanking November 23 after a session which began on November 12 and which dealt with subjects ranging from the need for national unity to the Sino-Japanese conflict in Manchuria. The atmosphere was tense with the enthusiastic shouting of slogans, among them being the following:

"Let all Kuomintang members unite."
"Let the people of the entire nation unite."
"Down with Japanese Imperialism."
"Long live the Kuomintang."
"Long live the Chinese Republic."
"Long live the Three People's Principles."

These slogans were shouted as the Congress terminated its labors. The closing ceremonies followed the usual weekly National Government and Kuomintang memorial services.

The closing session of the Congress was addressed by General Chiang Kai-shek, the Chairman of the Chinese National Government at Nanking. He urged national unity.

As it came to an end the Congress issued a manifesto to the nation appealing to the 400,000,000 people of China to unite under a unified Kuomintang to strengthen the country in a determination to struggle to the finish to achieve realization of the program of the Party and the Government. The manifesto demands that individualism be abandoned in favor of projects designed to preserve the nation.

The Congress manifesto holds that henceforth national reconstruction shall be carried on through the extensive development of the military, economic and educational needs of the country so as to strengthen the national defense and ensure a permanent national existence.

Since it first sat on November 12 the Congress has held eight sessions described by its leaders as "momentous." The Sino-Japanese conflict in Manchuria was foremost on the agenda but great attention was given to national unification, national defense, Party unification and the suppression of Communism in the bandit-infested provinces. Numerous resolutions designed to aid in a solution of China's difficulties were discussed and adopted.

At the session on November 22, after various reports had been submitted, the text of the Yueh Fa (Provisional Constitution) for enforcement during the Period of Political Tutelage, which was adopted by the National People's Convention last May, was recited to the congress.

The following new members of the Central Executive and Supervisory committee, who were elected at the seventh session, were officially announced:—

Central Executive Committee:

Four regular members: Chow Fo-hai, Ku Chu-tung, Hsia Tou-yin, and Ho Yao-tsu.

Fourteen reserve members: Yang Chieh, Hsiao Chi-shan, Chu Shao-liang, Lung Yun, Hsieh Tso-min, Ma Fu-hsiang, Chien Ta-chun, Tuan Hsi-peng, Cheng Chan-nan, Huang Mu-sung, Chang Li-sheng, Lo Chia-lun, Tai Kuei-sheng, and Li Ching-tsan.

Central Supervisory Committee:

Four regular members: Chang Hsueh-liang, Yang Hu, Chiang Tso-ping, and Hung Lu-tung.

Fourteen reserve members: Huang Chi-jen and Fang Sheng-tao.

Upon the emergency motion of the Presidium, a resolution was adopted in principle providing for the appointment of a National Emergency Commission to deal with the national crisis. The resolution was referred to the new Fourth Central Executive Committee for execution. The text of the resolution is as follows:—

"That in view of the growing gravity of the national emergency, this Party Congress, in order to reap the benefit of collective deliberation and consultation, establish, under the direction of the Central Party authorities, a National Emergency Commission, to which should be invited all men of talent in the country and which should be charged with the task of jointly devising plans for the salvation of the nation."

Upon an emergency motion brought up by Chang Tao-fan and 42 other delegates, a resolution was adopted providing that all proposals which have been already examined by the various investigation committees be jointly referred to the new Fourth Central Executive Committee for consideration and execution.

Li Chi-sen Restored

Upon recommendation of the Central Executive Committee, General Li Chi-sen, formerly chairman of the Kwangtung Provincial Government, who had been expelled from the Party for political reasons, was restored to Party membership. Overseas Party comrades Chen Jui-yun and others were also restored to Party membership.

The meeting then approved and adopted a report submitted by the Central Executive Committee which had been referred to the Party Affairs Committee for investigation.

Before the session adjourned, it was decided that the Party Constitution, as amended by the Third National Congress, should continue in force and that no new amendments be introduced.

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Serious Split in Canton "National" Government

Hongkong, Nov. 20 (1 p.m.)—Eugene Chen who recently returned to Canton from Shanghai peace conference has received a cablegram from New York Headquarters of the Kuomintang, calling his attention to a Tokyo dispatch in American press which stated that Chen during his visit in Tokyo last Summer negotiated an agreement with Japan, proposing to make Manchuria a neutral zone under Japanese protection. The New York Kuomintang cablegram pointed out that this dispatch has aroused widespread suspicion among the Chinese community in America and demanded that Chen should cable a statement, explaining the mission of his Tokyo trip. In reply to the New York message, Mr. Chen strongly repudiated any secret agreement with Japan and denied his intention of making Manchuria a netural zone. He declared that Canton's policy is to save Manchuria for China and not to lose it to Japan. He further stated that the Canton authorities are demanding a national solution of the Manchurian question which would adequately safeguard the vital interests of the Chinese Nation.

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Hongkong, Nov. 24 (6 p.m.)—A serious split has occurred between Gen. Chi-tang, leader of the dominant military group at Canton, and the Canton political faction which is supported by the rival Kwangsi militarists and Gen. Li Chi-sen, when Chen's representatives in the Canton Kuomintang Congress yesterday passed a resolution rejecting the six Canton peace envoys and Wang Ching-wei's recent peace resolution with the Nanking delegates in Shanghai. As a result of this drastic measure Sun Fo, Eugene Chen and Li Wen-fan, angered by the resolution, issued a joint statement demanding the Congress to reconsider their rejection. Meanwhile in order to avoid personal injury, they and five former members of the Central Executive Committee of Kuomintang including Kuo Chun-tao, Chang Chi-pun, Chao Pei-lien, Pai Yun-ti and Fu Ju-lin made a hurried exit to Hongkong by steamer and arrived here this afternoon. Persistent rumors prevail in Hongkong that part of the Canton naval forces is contemplating turning the tables against Gen. Chen Chi-tang and greatly resents his high-handed action in destroying the peace compromise between Canton and Nanking. Well-informed circles believe that Gen. Li Chi-sen and other Kwangsi leaders may open hostilities against Gen. Chen Chi-tang and dislodge him from his position in Canton.

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Hongkong, November 25.—Madame Liao Chung-kai, noted Kuomintang Leftist leader, arrived in Hongkong by the French liner, *General Metzinger* this morning enroute to Shanghai. In an interview she severely condemned the militarists for their inability to settle political squabbles which have resulted in civil wars. She expressed strong disapproval with the Kuomintang administration in recent years.

Sun Fo left Hongkong this morning for Macao. Canton split causes further depreciation in Central Bank notes. One hundred and forty delegates who withdrew from the Kuomintang Congress have arrived in Hongkong since yesterday evening. Sixty more delegates are expected to arrive in Hongkong soon. Wang Ching Wei's secretary Tseng Chung-ming arrived yesterday evening; interviewed, he said the Congress had decided to repudiate the Nanking-Canton peace negotiation re-

solutions, which seriously handicapped an early settlement of the Kuomintang disputes, rendering perpetual internecine war within the country. Gen. Chen Chi-tang and Admiral Chen Chak did not attend the State Council meeting yesterday, while Hsiao Fu-cheng, Teng Tse-ju expressed anxiety of further serious political development. The divisional commanders conferred until late yesterday evening with Chen Chi-tang.

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South China Morning Post, Hongkong (Nov. 18)—Canton telegrams under yesterday's date stated that the formal meeting of the Canton Kuomintang 4th National Congress would take place on the 23rd, but the opening ceremony was scheduled to be held tomorrow at the Chunshan Memorial Hall; it is expected that Messrs. Hu Han-min and Wang Ching-wei will come to Canton from Shanghai to attend the Congress when formal meeting opens .... Canton Kuomintang Extraordinary Session issued a circular telegram today setting forth its aims and expressing the hope that all members of the Party will forget past differences and with true hearts unite to save the country....At a meeting of the Canton Government State Council held yesterday, the following resolutions concerning the Kuomintang Congress were passed: that presidium of the Congress shall consist of nine members, that a telegram announcing opening of the Congress be issued under the name of the Extraordinary Session and Li Wen-fan be appointed chief-secretary to the Congress .... Messrs Tan Ching and Ma Chao-chun, members of the Canton State Council, who have been appointed delegates to Shanghai to welcome Messrs. Hu Han-min and Wang Ching-wei to Canton, left Hongkong yesterday for Shanghai by *President Linclon*....Madame Liao Chung-kai, noted Kuomintang Leftist leader and a former member of the Executive Committee of the 2nd Kuomintang National Congress, is now on her way from France to China and is expected to arrive at Hongkong on Nov. 26....Gen. Li Chi-sen who recently arrived at Hongkong from Shanghai after being liberated by General Chiang Kai-shek is planning to make a brief visit to his native province, Kwangsi and is shortly leaving here via the Haiphong and Yunnan Railway; General Li's return to Canton has been objected to in some quarters due to misunderstanding.

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South China Morning Post, Hongkong (Nov. 19)—With befitting ceremony, the Canton Fourth National Kuomintang Congress was opened at the Chun Shan Memorial Hall in Canton yesterday morning; Mr. Sun Fo presided with over 740 delegates attending .... At a meeting of the Canton Kuomintang Extraordinary Session held on the 17th, a procliamation outlining aims of the Southern Government in summoning the Fourth National Congress was issued which in brief says: for six months, the Extraordinary Session has been struggling for the realization of extermination of Communist evils in China and destruction of dictatorial government, while the ultimate object of the Session is the creation of lasting peace within the country and permanent harmony in the Kuomintang Party; peace negotiations were opened with the Nanking Government, because the Extraordinary Session firmly believes that for the early accomplishment of Revolution, it is necessary first of all to re-unite the Kuomintang and effect a reorganization of military and party affairs....The same meeting decided upon the election of Messrs. Sun Fo, Hsiao Fu-cheng, Shih Ching-yang, Chen Shih-ju, and Generals Li Chung-yea and Chen Chi-tang as members of the presidum of the Congress with Mr. Sun Fo as Chairman ....The Extarodinary Session has also appointed Chen Chi-tang, Chan Chak, Ma Chao-chun and Chiao Yi-tung members of the Central Executive Committee for their meritorious services to the party....Gen. Huang Shao-hsiung arrived at Hongkong on the 17th from Kwangsi and has gone to Canton to attend the Kuomintang Congress....The Extraordinary Session has sent a telegram to Gen. Li Chi-sen, requesting him to return to Canton, but Gen. Li has declined the invitation and replied that he has decided to return to Kwangsi.

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South China Morning Post, Hongkong (Nov. 20)—At the opening ceremony of the Fourth National Kuomintang Congress in the morning of the 18th which was attended by over 1,000 Kuomintang members, including 740 delegates and representatives of public bodies, Mr. Sun Fo delivered a lengthy speech before the Congress; he said the enthusiasm of those present strengthened his belief that members of the Kuomintang were firm in their desire for unification of the Party and in this connection, he could not but recall some painful experience of the Party when Kuomintang was jeopardised seven years ago through inclusion of the Communist element, whose influence was the main cause of interruption of Kuomintang program and serious dissesion in the rank and file; fortunately in 1928, Kuomintang leaders realised the danger and started a movement purging the Kuomintang of the Communist element; however before they had time to proceed with the work of rehabilitation, a militaristic individual saw opportunity to further his own power and influence by establishing a dictatorial regime at Nanking which has produced appalling results, namely revival of Communist activities by taking advantage of further splits within the Kuomintang and the present foreign aggression.... The first preliminary meeting of the Congress was held at 2 o'clock yesterday afternoon attended by 250 members and 112 observers; at the meeting Messrs. Wong Yuk-chu, Li Yang-ching, Kuan Su-jen and Yao Ti-chang were elected to the Presidium in addition to Hu Han-min, Wang Ching-wei, Sun Fo, Hsiao Fu-chen, Li Chung-jen, Teng Tsi-ju and Keng Heng-yee....Interviewed as to important questions to be first discussed by the Congress Mr. Sun Fo said: there are two main points, namely, the anti-Japanese question and question of the Finance Council formed by Nanking; other questions are those whether Chang Hsueh-liang who had drawn his Army into China Proper for civil strife deserves punishment for his disloyalty to the country in surrending Manchuria to Japan without resistance, and denounciation of the Finance Council formed at Nanking by Gen. Chiang Kai-shek whose purpose Mr. Sun alleged, is to raise loans for prolonging civil strife; Mr. Sun further stated that Canton Government has wired to Shanghai Bankers' and Salt Merchants' Associations opposing the formation of the Nanking Finance Council and the State Loan which Gen. Chiang is contemplating.

China Lists Treaty Violations Against Japan

Following the presentation by Japan of a list of alleged cases of violation by China of Sino-Japanese treaties, China has retaliated by furnishing to the League of Nations a list of Japan's "provocative activities" in China. The principal instances cited by China are the following:—

The illegal stationing of Japanese troops in Manchuria—an action devoid of legal basis or treaty sanction. The Chinese estimate that there are 23,000 Japanese officers and men in Manchuria.

The illegal stationing of the police attached to various Japanese consulates.

Assaults on Chinese nationals by Japanese police.

The arrest of Chinese officials.

The destruction of Government offices.

The holding of military manoeuvres in Chinese cities.

Interference with the transport of Chinese military forces.

The establishment of post offices along the South Manchuria Railway.

The levying of illegal taxes along the South Manchuria Railway.

The circulation of spurious bank-notes.

The expropriation of Chinese land.

The disruption of communications.

Interference with local municipal administrations.

Gen. Ma Chun-shan, Heroic Defender of Manchuria

BY HOH CHIH-HSIANG

WITH the occupation of Tsitsihar, provincial capital of Heilungkiang, on Nov. 18, the Japanese have inflicted a crushing defeat upon Gen. Ma Chun-shan and his gallant troops, but have failed to bring about his complete elimination, as was originally contemplated. As Chairman of Heilungkiang Provincial Government and sole defender of vast Manchuria, Gen. Ma has put up an exceptionally heroic and notable resistance against the Japanese invaders which has cost them hundreds of lives and considerable loss of ammunition. Gen. Ma has been defeated, but has not been conquered. Although strategic reasons and lack of reinforcements and supplies have forced him to beat a retreat, he has not abandoned his cause. Defeat not only failed to dishearten him, but has instead stiffened his attitude and emboldened his spirit. He has rallied his shattered troops and made Hailun, one of the richest districts in Heilungkiang, his new base. To all intents and purposes, he is determined to hold that territory and intends to join issue with the Japanese later on. By his gallant stand and spirit of sacrifice, Gen. Ma has shown himself a true soldier and defender of the country and, although failing to meet with success against the enemy on the field, he has earned the true and genuine gratitude of his fellow countrymen. Throughout the length and breadth of the country, his name is a pride to China and the Chinese. His popularity is unbounded and he has become the idol of the nation. Tributes in most glowing terms are paid him from all quarters of the country and vast sums of voluntary contributions have been remitted to him for the maintenance and encouragement of his troops. Among all the many generals and commanders, whose letters crowd the columns of the daily newspapers, Gen. Ma's name shines as a star and casts an eclipse on all those who have fattened upon the people without observing their duties in defending the country. His gallant deeds and patriotic sacrifices have virtually made him the hero of the hour.

General Ma Chun-shan

Since the fall of Liaoning and Kirin and their effective occupation by the Japanese, Gen. Ma has been placed in a most perilous situation. His army is poorly equipped and numerically outnumbered. With all means of communications blocked and isolated in the utmost northwest of the country, he is completely cut off from receiving reinforcements or supplies. With a completely depleted provincial treasury and amidst overwhelming odds, he has to face a most formidable enemy which is fully equipped with the deadliest paraphernalia of modern warfare and is being constantly reenforced with fresh contingents. Reduced to such an almost hopeless situation, which would have disheartened many a brave military commander, Gen. Ma had first to meet the Japanese-supported rebel forces under Chang Hai-peng and check Japanese initial inroads on the Nonni River front. Before the major engagements with the Japanese invaders, which resulted in the capture of Tsitsihar, he was almost daily in receipt of ultimatums from the Japanese calling upon him to withdraw his troops and evacuate the Heilungkiang Provincial Capital, but the threats one and all failed to coerce him. He well knew that if hostilities occurred, certain defeat would await him, but as a loyal defender of the country he preferred defeat to disgrace. Recognising his primary duty as a soldier, feeling the warm blood of a hero, and imbued with the spirit of sacrifice regardless of all consequences, he elected to take the most daring and spirited course and against all hazards and chances, he determined to use his solitary army to engage the overwhelming hordes of Japanese troops. He faced them on the very front, personally directing operations, and his troops fought in spite of mounting casualties. At last, when his men had been decimated and his limited resources exhausted, he was compelled to bow to force majeure and withdrew his collapsed army from Tsitsihar into the wilds of the province. Such acts of heroism would do honor to any soldier and go down in history as deeds worthy of the highest commendation. China maintains a vast army of over 2,000,000 troops. They seem all to be models of bravery and courage when engaged in internal strife, but like a pack of timid sheep when facing an alien invader. In less than three days, two of China's richest provinces fell into the hands of the invaders. It was Gen. Ma's heroic and stubborn resistance that saved the country from the utter disgrace of cowardice.

Gen. Ma has well earned his country's gratitude. But for his courageous stand and heroic struggle, Manchuria would be a total loss to China and the whole country would be branded with indelible disgrace. He possesses two characteristies which deserve special mention. First, he is endowed with the spirit of self-reliance and self-sacrifice in defence of the nation and the country. This spirit is diametricaly opposed to the spirit of cowardice and selfishness which has characterized all other militarists. Secondly, when there is a just cause, he possesses the courage to pursue that cause to the end regardless of life or death. Prior to the fall of Tsitsihar, he issued a circular telegram, proclaiming his stand in regard to the Japanese invasion into his territory. He said:

"Well knowing my solitary position, with the cutting off of all means of communications with the outside would and hopelessness of receiving succor from any quarter, I could not possibly be a match for an overwhelming army of an alien nation. But as the country has entrusted me with the duty of defending the country and the people repose in me their confidence, I can not bear to see the fall and ruin of Liaoning and Kirin and the same fate to overtake Heilungiang province. Rather than desert my beloved people of this province, I will stake my all and engage the invaders to the utmost end. As it is my duty to defend the country, I shall certainly not allow one inch of Chinese soil to be lost to an alien nation without offering a desperate resistance. I swear that being responsible for preserving our territory intact, I shall rather die in the battle-field, fighting the enemy than to return alive and see the ruin of my country."

In an interview with representatives of public bodies from Harbin, he said "I have a definite purpose and will not falter under any circumstances. So long as I breathe, I will never hand over my country to the enemy. Even when my troops have been annihilated, I shall go to the

(Continued on page 500)

The Women's Volunteer Corps

BY EMILY LIN (林蘅芳)

SINCE the unprovoked invasion of Manchuria by the Japanese troops, the Chinese women have exerted no small efforts in patriotic movements. Not to be outdone by their co-equals they have organized the Women's Volunteer Corps and the Righteous and Brave Army for National Salvation, besides many Anti-Japanese activities. China, indubitably, needs the service of women as well as men. She needs as many strong women as there are to defend her in time of distress. The keenly felt need has caused the above two organizations to come into existence so that women may by summoned to support their country whenever they are wanted.

Qualification of the Members

There is yet to be solved a big problem which proves to be the fundamental basis of the said organizations. This problem is none other than the general health of the members. It is only those who are physically fit that are qualified for admission. Women of good calibre or high scholarship but poor health have no use for either of them. Money and ammunition with weak soldiers on the field can not score victories for the country either. It is also wrong to say that women who are weak can be trained to be nurses or first-aiders, and those who are strong will bear arms. Nurses must have as good constitutions as any other people, otherwise they can not take care of wounded soldiers on the field.

Physical Education Paves the Way to Good Health

If an investigation is made of women's health through out the country, only a small percentage will be found eligible for membership. What is the drawback of this ineligibility then? It is, undoubtedly, due to lack of Physical Education—which alone can attain the desired result.

The purpose of Physical Education is to build up a sound body and prepare men and women to be good and strong citizens. This can be obtained only through physical training activities. Jean Jacques Rousseau, in his Book I of *Emile*, says, "The body must need be vigorous in order to obey the soul; a good servant ought to be robust. The weaker the body, the more it commands; the stronger it is, the better it obeys." In Book II we read "If you would cultivate the intelligence of your pupil, cultivate the power which is to govern. Give his body continual exercises, make him robust and sound in order to make him wise and reasonable. In order to learn to think, we must exercise our limbs, our senses, and our organs, which are the instruments of our intelligence, and in order to derive all the advantages possible from these instruments, it is necessary that the body which furnishes them should be robust and sound."

Negligence of Physical Education by School Girls

From years of experiences I have found out that most of the college and high school girls have not cared for Physical Education. They condemned it. When it came to class attendance they found lots of excuses and sometimes excused themselves from classes. If we truly love our country and if we want to make ourselves useful we must hereafter consider the regular daily Physical Education attendance as a duty toward our Fatherland and not as a drudgery. We must prove ourselves physically fit every day in every way and not only in time of war. Hence, Physical Education must not be confined to only a selected few. It requires every woman to take part in it, that they may have a reservoir of energy and strength to dispose of in time of danger. It is certain that the Women's Volunteer Corps and the Righteous and Brave Army have not been organized for only a chosen few, but for as many as possible. If we wish to be admitted to one or both organizations we must come to the realization that health counts first. In order to get good health we must indulge in Physical Education which, if more emphasized in colleges and high schools, will bring about a great success, in the future, for the Women's Volunteer Corps and the Righteous and Brave Army. In conclusion I would like to write a few lines about the ideals in Physical Education which must be planted in the hearts of those who desire to be serviceable at any moment.

Ideals in Physical Education

The highest ideal which we should strive for in Physical Education is the improvement of the individual man in structure and in function. It is not a runner, a jumper, a boxer, a ball player, or a gymnast that we are trying to produce, but the highst type of a physically perfect man. The great thing to be desired and attained is that prime physical condition called fitness—fitness for work, fitness for play, fitness for anything a man may be called upon to do. Is not this condition worth striving for?

China expects her four hundred millions of people to be well-equipped with good physique so that they may always be ready to respond to the alarm whenever it is sounded. In order to comply with her request we must not neglect Physical Education, which is one of the foundations upon which a strog nation is built.

Peiping, November 18, 1931.

China's Army Well Trained, Says General Hines

China's army is more western than Oriental and on the whole the troops are well trained and well equipped, said Major-General John L. Hines, commanding general of the Philippine Department, United States Army, in an interview a Manila last week, after having returned to that city following a month's inspection trip to China accompanied by members of his General Staff in the Philippine Department. While in China, General Hines viewed the units under his command stationed in Shanghai, Tientsin and Peiping. While refusing to talk of the poltical aspects of the China situation, General Hines freely commented on what he saw of the Chinese Army and its equipment.

"For the most part," he said, "what I saw composed guards of honor at railway stations, or municipal units. In addition, however, I saw the crack 7th Brigade, probably the best fighting unit in China. I also saw other troops in the field in Shantung province.

"Their equipment seems very good, indeed. I examined some of their rifles and found them to be of European make, as were also the side-arms. They seemed well cared for and in good condition. The movements of the 7th Brigade were well carried out, and it appeared to me that they were being trained in all essential branches.

"Military methods are obviously patterned on the western world. I saw numerous army bands, for example, and they were playing western music and playing it very well, indeed. The entire organization is that of an Occidental, rather than a traditionally Oriental, army.

"China faces some difficult military problems, and I was not able to observe all the means used for their solution. For example, China has unlimited man power, and so, military operations are not so much a question of force as of mobility. In a country like China, troop movement is a big problem, and apparently it is not entirely solved.

"Similarly, I saw little heavy ordnance in the course of my observations. This may be quite natural, since most of the troops used for the occasions whereon I saw them would logically be infantry units. But I suspect that China has not yet developed the artillery arm to its full possibility.

"I saw gymnastic exercises at the military school in Nanking, which is the pride of Chiang Kai-shek, but did not see any formations. The school itself seems well laid out, and obviously Chiang Kai-shek is making every effort to sustain it at a very high standard. The young officers whom I saw were soldierly fellows and well disciplined."

Major-General Hines was extremely interested in the plans for the city of Nanking. He commented upon its sound architectural layout, the magnificence of the tomb of Sun Yat-sen and the wide and attractive areas which have been set aside for parks.

Finance Commission Reduces Party and Government Expenses

A recent telegram from Nanking stated that the recently inaugurated Finance Commission has decided to reduce the monthly Party and Government expenses by half the usual amount which, heretofore, has been approximately $8,000,000.

All the Central Party and Government organs concerned will be required to formulate new budgets on the basis of their reduced allowance, which will mean a general reduction of staff members and the simultaneous increase of work on the part of each individual staff member of either the Party or the government.

The new budget, it is reported, does not apply to the Ministry of Railways and certain departments of the Ministry of Finance which have revenue of their own.

How the American "Flood" Wheat Is Being Distributed

AS the initial move in its vast undertaking to save from starvation and death the hundreds of thousands of absolutely destitute Chinese who have been overwhelmed by the unprecdented series of disasters which have ravaged China during the past year, the National Flood Relief Commission, end of last week despatched 1,000 tons of American wheat for distribution at Nanking and Wuhu.

This shipment is the first lot of the 450,000 tons which the commission has arranged to purchase under the terms of a special agreement from the United States Government, through its Farm Relief Bureau. As part of a bulk shipment of 7,350 tons which arrived at Shanghai on board the Swedish freighter *Nuolja* from Portland, Oregon, on the Columbia River, this first relief consignment is being sent up the Yangtsze as part of the cargo of the China Navigation Company's steamer *Chungsha*, which sailed from the China Merchants Wharf at Pootung Nov, 20.

Inspection Made

A final inspection of the initial shipping arrangements and the newly inaugurated system for sacking the bulk wheat for local re-shipment was carried out here by F. B. Lynch, Financial Advisor to the Nationalist Government, whose services have been loaned to the Commission to supervise all transportation details, L. Everett, the President of L. Everett, Inc., who has handled the chartering of the great fleet of ocean carriers required to bring the grain from America, and F. J. Rossiter, representative in China for the United States Department of Agriculture. The inspection party first visited the river freighter *Chungsha* at the China Merchants Godowns at Pootung which have been secured as a depot by the Flood Relief organization. With a special detail of 150 gendarmes from the Salt Gabelle Forces on duty, the huge depot, they found, was being put in shape rapidly to accommodate the many trans-Pacific shipments, which from now on will arrive in continual succession.

Proceeding next to the freighter *Nuolja*, which was lying in the stream off the Asiatic Petroleum Co's upper wharf on the Pootung side, the trio of officials were pleased to ascertain that the sacking and unloading of the wheat to lighters alongside was being handled at the rate of from 1200 to 1400 tons per day, or 3,000 sacks per hour at each of the vessel's five hatches.

Lighters Utilised

From the steamer, the sacks of grain were being transported via Everett lighters to the *Chungsha*. In order to guarantee a prompt loading of the *Chungsha*, Mr. Everett kept his crews continuously at work from the time the *Nuolja* opened her hatches until the objective was obtained. Both Mr. Lynch and Mr. Rossiter extended him their congratulations on the efficient system inaugurated which, they state, will result in important savings to the commission, as well as facilitating the undertaking itself.

The remainder of the wheat in the Swedish freighter's holds has been transported to the depot godowns. While this vessel also brought over a partial cargo of lumber, the subsequent steamers carried complete grain cargoes consigned solely to the commission. Additional trans-oceanic freighters, flying the flags of many nations are due in Shanghai at short intervals until the entire tonnage in either wheat or flour, a substitution of 50 per cent. of which is permitted by the agreement, has been received.

While at the present time re-shipment arrangements provide for the transportation up-river of the sacked wheat in available steamers operated by local companies, the rapid and unexpected extent of the fall in water on the Yangtze together with the shifting of charted channels by the recent floods, may complicate matters. If it should prove impossible for the grain-carriers to make all the up-country ports necessary, shallow draught junks will be requisitioned.

Cargoes in Bulk

Inasmuch as all the wheat forwarded to China for relief purposes under the American agreement, is in bulk cargoes, one of the problems to overcome was the segregation of the grain into lots capable of being early trans-shipped up country in available transport. When possible Mr. Lynchp lanned to route certain deep-sea freighters up river to Hankow direct and have them discharge there, but the rapid fall in the waters of the Yangtse River may preclude this plan and necessitate every shipment being unloaded in Shanghai. According to the present plan devised by Mr. Everett and concurred in by Mr. Lynch, gangs of coolies are set to work sacking the grain in the holds of the off-shore freighters as soon as the hatches are lifted.

Swung overside in slingloads, the wheat then is transported in lighters either directly to the river boat, as was done in the case of the *Chungsha*, or to the commission's depot at Pootung. Owing to the extensive storage facilities at the old China Merchant's Pootung headquarters, any quantity of wheat or flour can be held there in perfect safety until required. No cargo hooks are permitted in handing the sacks, despite the wharf coolie's penchant for using this instrument, consequently even in utilizing second hand sacking, the loss is kept at the very minimum. At the present time the entire expense involved in sacking the grain here is less than three taels per ton.

With the system now in efficient working order, shipments of wheat will be sent to the famine areas as required. Despite his many other duties as financial advisor to the Nationalist Government, Mr. Lynch is giving this phase of the local operations his personal attention. In accordance with the decisions of the local committee, Mr. Lynch plans to use the regular river freighters for all possible shipments, owing to the general agreement to accept this cargo at minimum, non-profit bearing rates. Complications, however, may result in this regard due to the unexpected low water on the Yangtse which may even prevent the regular shallow-draught freighters from making certain of the river ports. Should this occur, Mr. Lynch is prepared to utilize native cargo junks for the same purpose as these little craft require even less water than the steamers.

From both Chinese and foreigners, on all sides, the commission has been receiving the utmost co-operation in its charitable activities, Mr. Lynch declared highly praising the spirit shown in relieving the national distress.

Horrible Revenge Meted Out to Communist Informer

The daily newspapers in Shanghai November 24 contained lurid accounts of the vengeance which was taken on a Communist because he had allegedly betrayed the Shanghai Communist Party, of which he was formerly a committee member. The victim was one Kou Chen-chang, a Nanking government official, who with practically his entire family was murdered and the bodies buried in the garden of two untenanted houses in the French Concession. The bodies, seven in number, were disinterred November 23 under the auspices of the French Police. The bodies were identified by relatives. Examination of the corpses showed that death was caused by strangulation. According to the story pieced together by the Police, Kou was allegedly responsible for the information which resulted in one Hsiang Tsing-fah, secretary general of the Chinese Communist Party, being arrested in the French Concession June 22 last. He was handed over to the Chinese authorities the following day and was immediately executed.

Former Shanghai Newspaper Woman Charges Libel Against Book Publishers

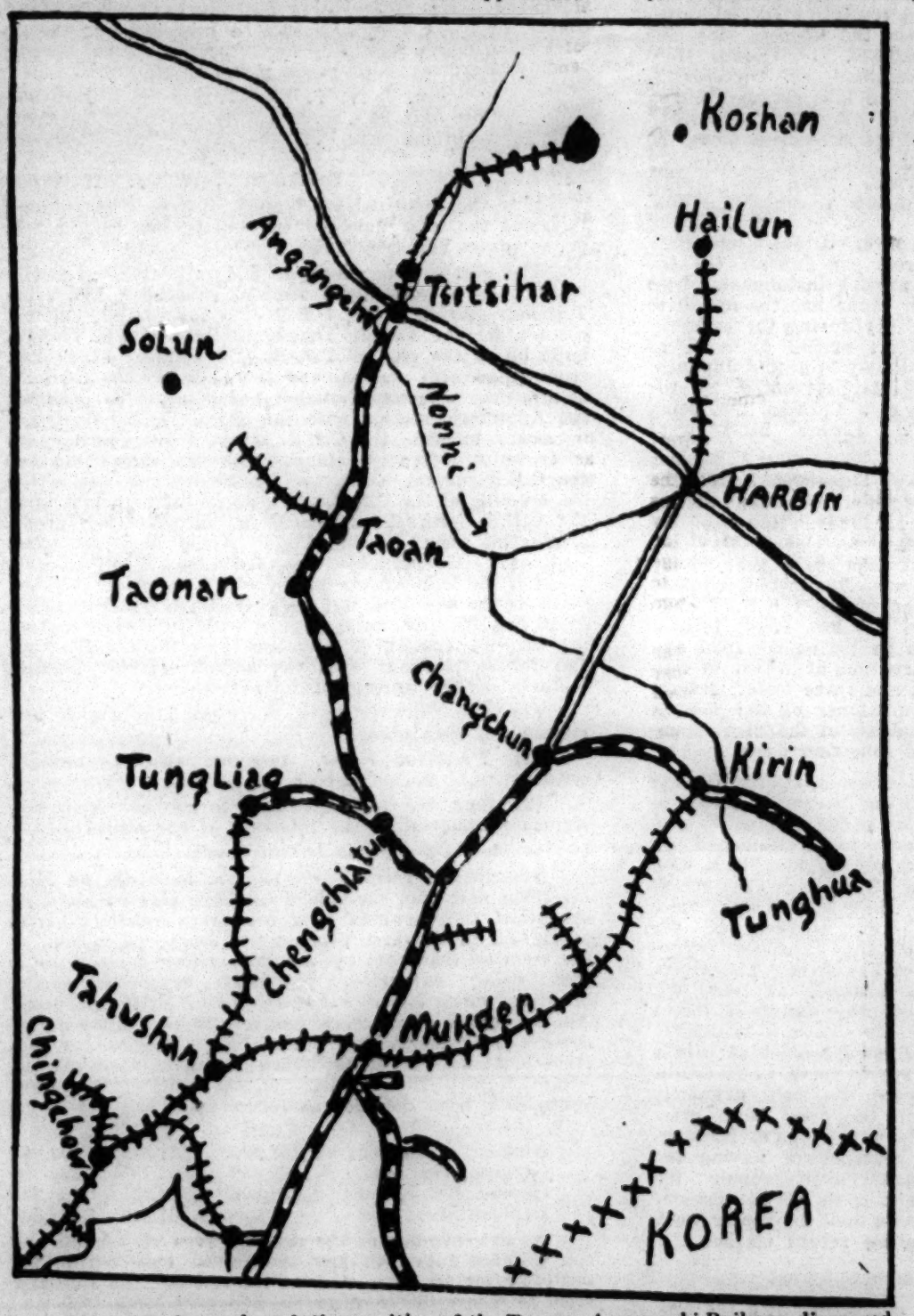
Irene Corbally Kuhn, formerly of the staff of the *China Press*, Shanghai, and more recently of the staff of the *New York Daily News*, has brought a $100,000 libel against Doubleday, Doran & Co., publishers, and Josef Israels 2d, author of "Rebecca the Wise," a novel, in which plantiff claims derogatory statements were made about her. The case is to be heard during the present term of the New York County Supreme court. Doubleday, Doran & Co. have filed a reply to Mrs. Kuhn's charges, setting forth that their contract with the author of "Rebecca the Wise" stipulated that the book contained no libelous matter. The defendants stated that they published the book in good faith, in reliance upon the guarantee contained in the contract. The publishers assert that Israels is liable for any recovery that may be had at law.

Mrs. Kuhn charged that facts and words concerning the character "Irene Moon" were intended to and did refer to her.

The History of the Taonan-Angangchi Railway

BY A. A. R.

FEW persons at present realize that some twenty years ago the American and British governments claimed a special interest in the region now traversed by the Taonan-Angangchi Railway. Though the matter is now well forgotten, at that time, namely, in the years 1907-1910, it was a topic of the day. Then a consortium of American and British bankers approached the Peking Government with a project to construct a railway from Chingchow (the town recently bombarded) to Aigun, on the right bank of the Amur River in Heilungkiang Province. The line would have been constructed from Chingchow northward to Taonan, thence to Tsitsihar, or in parallel with both the S.M.R. and C.E.R. (southern section). In advancing this project the American and British interests sought the realization of the "open door" principle in China, but as a matter of fact the project has never come into being.



This map shows the relative position of the Taonan-Angangchi Railway, discussed in the accompanying article, to other railway systems in Manchuria. Note Solun and Koshan, two towns to which railways are being constructed.

The proposition was accepted by the Chinese Government and its terms embodied in the agreement of October 2, 1910, the salient features of which follow:—

(1) That the Peking Government has to borrow the necessary funds for the construction of the railway in question from the bankers, namely, J. P. Morgan & Co., Kuhn, Loeb & Co., The First National Bank and The National City Bank of New York;

(2) That it will appoint a British firm, Paulin & Co., as contractors of the railway leaving them, however, the right of appointing the chief engineer, and;

(3) That railway will be held as a security for the loan advanced and that the loan will bear 5 per cent. interest per annum.

By a later agreement with the British side the Americans obtained the right of supplying at least a half of the material necessary for the construction and also the right of engaging American engineers in the work. The agreement received the sanction of the Emperor, but has never been fulfilled due to subsequent events, namely, the growth of rival, that is, Japanese interests. The first serious encroachment of the Japanese upon the interests of the British-American consortium was made in 1913, when the Japanese Government succeeded in obtaining from the Peking Government the right to construct five Manchurian and Mongolian railways, of which one, namely the Chengchiatun-Taonan line, was to traverse the country through which the Chingchow-Aigun railway would have been laid. Another encroachment was made in 1916, when the Russian and Chinese Governments signed a preliminary agreement regarding the Hulan-Hailung railway, but which was never fulfilled due to the downfall of the Tsarist Government and subsequent wars in Russia. In each case the American government made vain attempts to safeguard the interests of the consortium, notably in 1916, but without any appreciable result. In ordinary circumstances, that is, had there been no Great War, which gave the Japanese a free hand in Far Eastern questions, these protests might have stopped the construction of rival lines, especially the Japanese financed Chengchiatun-Taonan line, so, the consortium lost its singificance, and now has interest only from the abstract—so to speak—side, as an attempt to materialize the "open door" principle.

As everybody knows, in 1915 the Japanese Government presented to China the so-called Twenty One demands and by one of them Japan acquired the right to be consulted first if China had any need for funds to construct railways in Manchuria and Mongolia; thus she placed herself in an exceedingly advantageous posi-

tion, virtually monopolizing the right to finance the railways in these regions. We touch upon this subject just in passing to emphasize why the Chingchow-Aigun proposition had to pass into oblivion and to show, in a way, how the Japanese have kept other powers off Manchuria.

Taonan-Angangchi Railway Agreement

It was one of the provisions of the agreement regarding the construction of the Chengchiatun-Taonan line, that, should this line be extended further, Japanese capital must be given a preference. So, next year, with the completion of the Chengchiatun-Taonan line the Chinese side entered into a special agreement with the S.M.R. by which the Chinese side was advanced a loan of Yen 12,920,000. The South Manchuria Railway Co. was represented by Director Y. Matsuoka, the Chinese side by the late Marshal Chang Tso-lin and the Governor of Fengtien Province, Wang Yung-chiang, who signed the agreement along the following lines:—(1) besides the above-named sum, the S.M.R. to supply railway materials, rolling stock, station equipment, etc.; (2) the above sum to be paid within 6 months after the completion of the line, failing which the whole amount to be converted into a long term loan, bearing 9 per cent. interest per annum; (3) the loan to be liquidated in 30 annual instalments, both principal and interest, although China has the option to liquidate it at an earlier date; (4) during the currency of the loan the railway and its profits to serve as security for the loan; (5) the railway to have a Japanese adviser and several other agents, appointed by the S.M.R., but is to be regarded as a Chinese line, being placed under the control of the Chinese Ministry of Communications.

The agreement was signed on September 3, 1924, or just a year after the Chengchiatun-Taonan section was opened to traffic (Nov. 1, 1923). However, the actual construction from Taonan northward was not started until May 28, 1925. It required a year to lay rails up to the northern terminus, Angangchi, situated 6 km. from the Tsitsihar station of the C.E.R., 27 km. from the city of Tsitsihar and 225 km. from Taonan. The Nonni River was reached in spring of 1926 and spanned by a bridge, the destruction of which in hostilities between Tsitsihar forces and those under General Chang Hai-pen (Military Commissioner of the Taonan district) has served as a direct cause of the Sino-Japanese clashes of November 4 and following days.

It should be stated that when speaking of the bridge across the Nonni River one means a series of five steel bridges scattered over a distance of 8 kilometers. Of these bridges three were damaged by the Tsitsihar forces at the outbreak of hostilities with the troops of General Chang Hai-pen. The recent Sino-Japanese clashes occurred while said bridges were being repaired by a detail of workers of the S.M.R. under the protection of the Japanese troops, entrenched on the north bank of the river. The object of hurried repairs of these bridges, as was declared by commanding officer of the Japanese forces in Manchuria, was to restore the Taonan-Angangchi Railway to normal working condition inasmuch as with a damaged bridge this railway stops to serve as feeder of the S.M.R., for which purpose it was primarily constructed. It was reported in the press that, prior to the outbreak of the clashes, the authorities of Heilungkiang Province declared their intention of having the Taonan-Angangchi railway management repair the bridge and it is one of the dark spots of the present controversy as to why the Japanese took the repair work upon themselves, thus precipitating recent clashes.

Heavy Japanese Construction Cost

A study of expenditures in connection with the construction of various railways in Manchuria shows that, whenever the Japanese owned S.M.R. had acted as contractor, the expenditure always exceeds the original estimates. There cannot be a better illustration of this statement than the case of the Taonan-Angangchi Railway, the estimates of which were made only for Yen 12,920,000, but when the line was completed (in 1926), the Japanese presented to China a bill for Yen 14,920,000, or 2 million yen in excess of the estimates. And what is astonishing, these 2 million yen were shown as social expenses. Needless to say, the Chinese side refused to recognize this item, but, despite it, the Japanese keep it added to the original loan of Yen 12,920,000. Another item piled up to the loan, is the additional loan of Yen 2,260,000 at 9% per annum, loaned for the purpose of acquiring the rolling stock and contracted on December 27, 1928. Besides that the railway owes Yen 800,000 at 9% per annum to the S.M.R., the value of coal supplied to the railway. Of special interest in this connection is the price of this coal: the cost of the coal was agreed to be Yen 0.17, whereas the market price of it was 8 sen only. So, adding another loan of Yen 2,000,000 we can put the whole indebtedness of the railway to the Japanese in the following table:—

	Yen
Loan for Construction	12,920,000
Social Expenses	2,000,000
Loan for the Purchase of Rolling Stock	2,260,000
Cost of Coal	800,000
Additional Loan	2,000,000
Total Yen	19,980,000

If to this principal, interest at 9 per cent. per annum is added the total indebtedness will be doubled, or will grow up to Yen 38,000,000.

The northern terminus of this railway is generally believed to be Angangchi station, situated 6 km. from Tsitsihar station of the C.E.R., but this, is not entirely correct, for the Taonan-Angangchi Railway was in 1928 built up to the city of Tsitsihar, a distance of 27 km. from Angangchi station, and the railway was then renamed the Taonan-Tsitsihar Railway. To connect the Angangchi station with the city of Tsitsihar it was necessary to cross the C.E.R. track, about which a hot controversy was once staged with the Soviet side of the C.E.R. management, for the Soviet side considered the crossing of the C.E.R. track as an infringement upon the C.E.R. interests, inasmuch as in that case goods, originating north of the C.E.R. would have an outlet southward instead of eastward (to Vladivostock). Luckily, the long drawn out negotiations ended satisfactorily to the new line, the management of which concluded on July 25, 1928, an agreement with the C.E.R. regarding the construction of a viaduct over the C.E.R. track and future relations with the named railway. Salient features of the agreement follows:—

(1) The railways have to respect the rights and interests of each other;

(2) Whatever losses, sustained at the point of crossing, to be borne by both the parties;

(3) Both the railways have to abstain from any actions prejudicial to the interests of the other.

Income Is Not Great

Though the railway was opened to traffic on Nov. 11, 1925, and thus six full years have elapsed since its operation, the earnings have been very small. This is explained, in the first place, by a sparse population of the country traversed by the line, where agriculture is just being expanded, gradually replacing cattle-breeding, which is still a leading pursuit of the populace. Another cause of the slow progress of the railway's income are frequent interruptions of traffic due to constructional defects of the track and also floods of the Nonni River. The earnings of the railway in recent years have been recorded as follows:—

	1926	1927	1928
Number of Passengers	158,900	214,529	294.600
Cargoes (in tons)	62,400	764,785	356,700
Income (in Mex. $)	434,800	1,277,921	1,138,300
Expenditure	—	1,161,269	1,042,800

As the earnings of the railway were very small and the Chinese failed to pay the initial loan within six months after the completion of the railway, the Japanese tried to secure the complete management of the line and with that end in view they conducted in 1928 negotiations with the Chinese side, but without any success. Ever since the railway has been considered as Chinese, under the Chinese supervision, but the Japanese retained the positions of chiefs of the rolling stock, exploitation and bookeeping departments, respectively. Since the occupation of South Manchuria in September of this year the railway is under the Japanese military administration.

As a means to increase the railway's income there came into being two more railway projects, partly completed, and each of which requires a special study.

(*Continued on page 499*)

The Chinese Language in Fifty Ten-Minute Lessons!

BY PROF. W. A. SCHARFFENBERG

Lesson No. XLVI

CHARACTER RECOGNITION

The Home Study Institute's five year course of study in the Chinese language endeavors to put the student in command of an average of 1,000 new characters per year. Those who complete the entire course would therefore be in possession of approximately 5,000 different characters. The character recognition work commences with the sixth lesson. By the time the student has completed the required lesson assignments of the first five lessons he will have an oral vocabulary range of some 500 or more expressions. The general principle of ears before eyes is held to throughout the course. This principle requires the student to first require a spoken knowledge of the language. Not until he has acquired the correct pronunciation, tone, meaning and use of the term is he required to learn to read. The oral work always precedes the reading work. The student is thus able to use the terms in his daily conversational work before he attempts to recognize the characters in print.

There are forty reading lessons in each year's work. In order to assist the student in his study of the new characters, terms and expressions appearing in his reading lessons, a series of flash cards have been prepared. There are forty packs of flash cards in each year's work. Pack number 30 contains those characters, terms, and expressions which appear in lesson 30, but that have never appeared in lessons 1-29. Thus every pack of cards are new. There are no duplications. On one side will be found the Chinese characters, while the reverse side has been left blank for the students' use. The student can therefore make such records as he desires. If he is pursuing the course in the Mandarin, he can enter the Romanization or Phonetics used in the Mandarin. If he is pursuing his course in the Cantonese, he can enter the Cantonese pronunciation. Thus each student is left free to pursue the course in the dialect that he expects to acquire. Recently a new flash card device has been prepared. This device will be explained in our next lesson.

CHARACTER STUDY

Character No. 226 (成2)

To finish, to complete, to accomplish.
Perfect, full, whole.
Pronounced (I.P.S.) tʃʼĕn (R.) cheng

This character is composed of 丁 a full grown male and 戊 a battle axe of which 戈 is the radical. A boy when full grown is able to wield the battle axe. Hence the idea of to complete, finish, accomplish, perfect, full, or whole.

Character No. 227 (功1)

Work done, achievement, merit,
Good results.
Pronounced (I.P.S.) kɔ:n (R) kung

A combination of 工 labor or work, and 力 strength. This is a splendid combination. Certainly the idea that it takes hard work on the part of anyone who desires to become efficient, to achieve, and attain good results.

Character No. 228 (課4)

A lesson or task
Pronounced k'o

The radical 言 meaning words, and the phonetic 果 meaning fruit. The idea of using one's opportunities and taking advantage of the instruction received so as to to bring forth good results. Hence the idea of a lesson or school task.

Character No. 229 (送4)

To escort, to accompany
To send, to give
Pronounced (I.P.S.) sɔ:n (R.) sung

The radical 辶 to go, and 关 a torch that was carried to show the guest to the gate. Hence the idea to escort or accompany.

Character No. 230 (命4)

The will of God, a decree, an order,
The span of life, destiny.
Pronounced ming

The combination of 口 a mouth and 令 a command or order. When the command or decrees have received the seal of the Emperor or one in power, then it is broadcasted and made known by mouth. Hence the idea of destiny.

VOCABULARY LIST

740.	成了	—	Done, finished, completed.
741.	成事	—	To finish a matter.
742.	成人	—	To become a man, an adult.
743.	不成人	—	A worthless chap.
744.	成不了	—	It can't be done.
745.	成病	—	To get sick.
746.	成家	—	To get married.
747.	成就	—	To bring about.
748.	成名	—	To make a name.
749.	成全	—	Complete, to complete.
750.	成功	—	To carry to a successful issue.
751.	功課	—	A lesson or task, schoolwork.
752.	功德	—	Merit, good qualities.
753.	功名	—	Honor, official recognition, rank.
754.	功課	—	A job or task.
755.	上課	—	To go to class, to set to work.
756.	課本	—	A textbook.
757.	送客	—	To see a guest off.
758.	送到	—	To send to.
759,	送回	—	To send back.
760.	送信	—	To send a message or letter.
761.	分送	—	To divide up and send.
762.	送命	—	To give one's life.
763.	天命	—	The will of Heaven.
764.	命定	—	One's fate fixed.
765.	生命	—	Life

SENTENCE WORK

493.	學生已經上課麼	— Have the students gone to class?
494.	還沒有上課	— They haven't gone to class as yet.
495.	課還沒有來	— The textbooks haven't arrived yet.
596.	他們明天可以回來	— They can come back tomorrow.
497.	送課本來的時候請學生來上課	— When the textbooks have arrived, request the students to attend class.

READING LESSON No. XXI

念課

第二十一課 會話 A主人—安先生 B客人—方先生

A先生請坐 B請坐請坐 先生的府上都好麼 A謝謝 敝寓都平安 方先生的府上也好麼 B是的也很好 很多的時候安先生沒有到我們的家去 所以今天來看看你 A多謝多謝 因爲這些日子 天氣不好 我有一點不過好 所以沒有出去 B是的是的 那麼貴學堂的功課甚麼人教呢 A敝學堂有這樣的規矩 若是教員生病 可以請別的教員教 不過先要寫信告訴學堂裡頭 不然不大便當 B是的不錯 (未完)

These simple lessons in the Chinese written and spoken language, the first of which appeared in *The China Weekly Review* on January 17, will appear throughout 1931. Persons interested in a more intensive study in class work or by correspondence are requested to communicate with Prof. Scharffenberg, are THE HOME STUDY INSTITUTE, No. 25 Ningkuo Road, Shanghai.

China Would Win in a War with Japan

BY VERNE DYSON,

Professor at the University of the Philippines, Manila

Contrary to the common belief, China and not Japan would be victorious should these two countries engage in war. This was the view presented and defended by Professor Verne Dyson in a speech at the banquet of the Professional and Business Men's Club of the Central Student Church, held at the Mingnon Hotel in Manila, Saturday evening, Nov. 17, 1931, and at which he was the guest of honor. The gist of Mr. Dyson's address follows:

APPARENTLY most people everywhere in the world take it for granted that Japan would defeat China should these two countries have another war. Most popular beliefs are wrong and this one certainly is. China would win. I shall explain why this would be the case.

With the exception of the recent unimportant border conflict with Russia, China has fought no war with a foreign foe since she became a republic. The four wars in which China was defeated—two with England, one with France, and one with Japan—all occurred under the Manchu Dynasty, and before the rise of the present Nationalist movement which has spread to the farthest corners of the country, bringing about the rebirth of a nation. All through the nineteenth century, the masses of the Chinese people were weary of Manchu rule. Convinced that it was impotent and that its days were numbered, the people had no desire to win wars in its name and prolong its life. Spiritually and patriotically China was dead until the opening years of the new century when Dr. Sun aroused a wave of national consciousness that already has regenerated the millions of China to such an extent that he has become a god—his reputation and name the greatest except those of Confucius.

No country has yet come into direct and full conflict with the smouldering force of Chinese nationalism. The states of the West have sensed the menance and the power of this new urge generated out of the long-suffering of five hundred million human beings. Japan, alone of all nations, seems willing to encounter this titanic energy.

Japan's Success Depends on Early Victories

Should there be another war between China and Japan, the issue will not be decided in a few weeks as it was in the conflict between these two countries in 1894-1895. It would be a contest of many months, perhaps of a year, or of more than a year. This new element of time would defeat the traditional tactics of Japan. In war, Japan, a small nation with limited man-power and financial resources, strikes swiftly and furiously. Success depends on early victories; quick, brilliant movements of troops, and then a Roosevelt to bring about an early peace.

In all cases Japan must win her war before her adversary is permitted to get his second wind, and prolong the conflict until her limited resources are exhausted. The importance of Japan's victories over China and Russia have been greatly overestimated in history. The Manchu dynasty was on its death-bed in 1894-1895 with few willing to support its foreign policies or risk their lives to fight wars in its behalf and prolong its hated existence. And if you will read history written in Russia you will find that the masses in European Russia looked upon the war with Japan as a small border conflict, a flare-up on the frontier five thousand miles from the capital. In a protracted War with Russia, Japan would have lost inevitably.

There is every good reason to believe that another war between China and Japan would be a protracted one. Chinese hatred of Japan has been fed too many years to spend its strength in a day. Letters from China tell me that the youth of the country are training for a war with Japan and are eager for it to come. Raw recruits, you say. Yes, a mob. But the French Revolution was a mob movement until Napoleon appeared. Washington's victorious army at first was a mob of bare-footed youths. Small, unorganized, poorly equipped, and often half-starved units here in the Philippines were able to prolong the war with the United States for about two years. There is a certain quality in this nationalistic spirit of the people which is invincible, and which wins wars. I believe that China has a national temper today that would defeat Japan but, of course, not until millions of lives were lost. The man-power of China, however, is at least six times that of Japan. That would be a deciding element.

There are other factors that would contribute to the success of China in a war with Japan: The favorable public opinion of the world, one which recognizes that China has been willing to arbitrate and if possible to prevent war, and would constitute a "silent blockade" of Japan; and the foreign interests in China which would be a protecting screen between China and Japan. It would be impossible for Japan to conduct a war against China without becoming involved with various Western powers. She would at once come into contact with Russia in Manchuria. There are extensive French, German, British, and American interests at the various treaty ports along the coast. How could Japan attack any of these important cities without destroying the property of and interfering with the legitimate trade with China of these western nations?

There is another consideration, Japan has vast investments in China, amounting in Manchuria alone to one and one-quarter billion gold yen. In case of war, most of this property would be destroyed by Chinese mobs. It could not be protected. On the other hand, Chinese investments in Japan are very small—negligible.

An invincible national spirit, superior man-power, favorable position with respect to neutral Western nations, the consciousness of being right, and the ability to endure a long struggle, exhausting the economic and financial resources and the morale of the adversary would give ultimate victory to China.

Japanese Occupy Tsitsihar---News Confirmed

The Japanese occupied Tsitsihar, the capital of Heilungkiang province, on Thursday, November 19, the news on this occasion being confirmed. The capture of Tsitsihar was the first really difficult proposition that the Japanese have tackled since they started their Manchurian adventure two months ago. Although General Ma Chan-shun in the end departed from Tsitsihar with his forces without putting up much resistance in the city itself, his troops did valiant service before the Japanese forces were able to reach there. The Japanese soldiers, coming from the milder climate of Japan, suffered heavily as the result of weather conditions. The official Japanese list of casualties covering the fighting on November 8 and 19 show that 300 Japanese were victims of frost-bite, 24 were killed, 104 were wounded, and 13 missing. A statement from General Honjo's headquarters at Mukden stated that the large number of cases of frost-bite among the Japanese was due to the fact that the Chinese, before leaving the Tsitsihar area, destroyed the windows and the stoves in the Tsitsihar barracks where the Japanese took up their quarters. The Japanese further suffered from the fact that they fought the entire battle without having access to food. In the operations against Tsitsihar the Japanese used about 3,500 troops. 20 field guns and some airplanes. Owing to the intense cold the armored car section could not assist, as it was entirely frozen up. The airplanes had been kept running steadily for two days before the battle started so to prevent them also from being frozen up. Despatches from Harbin state that the Soviet Consul-General there has issued a statement that the Chinese Eastern Railway was not damaged during the fighting and that there was no interference with C. E. R. traffic. According to the Consul-General's announcement, no diplomatic action will be taken regarding the Japanese crossing the line. Mr. Ohashi, Japanese consul at Harbin, on November 18 notified Li Shao-jen, Chinese manager of the C. E. R., warning General Ma and other Chinese against entering the zone of the C. E. R. and saying that if Chinese troops entered, the Japanese army would be forced to invade the C. E. R. zone and expel them.

The main body of General Ma's troops in retreating from Tsitsihar, took up positions at Kashan, to which place all military stores were removed. In this connection a *Kuo Min* telegram from Harbin Nov. 21 stated that during the evacuation of Tsitsihar General Ma brought away with him the archives of the Government so that the Japanese will have no chance of making forgeries as they did with the documents in Shenyang (Mukden) and Kirin.

A *Kuo Min* telegram from Peiping Nov. 22 stated that Vice-Commander-in-Chief Chang Hsueh-liang had decided to appropriate $1,000,000 for the upkeep of the Heilungkiang units under General Ma. Half of the amount had already been remitted to General Ma through the Bank of China and the Band of Communications.

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Developing China's Shipping Industry

BY PAUL K. WHANG (汪仲芳)

EVER since the Nanking government waged war against the communists in Kiangsi and made war preparations against the Canton secessionists in the early summer, most of the ships of Chinese owned shipping companies have been commandeered for military service. With the absence of competition of Chinese ships in Chinese waters, the river and coastwise trade has totally fallen into the hands of British and Japanese shipping firms. The anti-Japanese movement arising out of the grave happenings in Manchuria has practically reduced the Japanese shipping firms into an idle state and shifted all business to British bottoms. In face of the shortage of vessels to handle the unusual rush business, the British shipping firms have found it necessary to raise their freight rates on cargoes for north China. In a circular issued to Chinese customers, it has been announced that beginning from Oct. 27, the freight charges for cotton goods would be increased from Tls. 1.40 to Tls. 1.70 per package, while piece-goods would be charged at Tls. 16.50 per ton, which marks an increase of Tls. 2 per ton. Thus with ships not in their possession, Chinese ship owners have enviously watched the fat profits pocketed by the British shipping firms, out of an unique situation—which would bring good business to them to compensate them for their previous losses.

Chinese Ships Damaged by Military

It is a curious situation that the Nanking government has still kept many Chinese-owned ships at a time when it has no longer any reason to detain them, for, inasmuch as the communistic war has long been successfully concluded in accordance with the official report, and the unification of the country is in sight, following the Manchurian episode. But fully one month has passed after the Nanking government has finally granted the petitions of shipowners by returning part of the detained ships and promising to return the others in the immediate future. If ships thus returned could have been reinstated into the regular service instantly, Chinese ship owners will still have a chance to partake of the present rush of business; but to their dismay, ships after being seized for military use have often been left in a crippled state, and their reconditioning and repairing will entail further delay at a time when time literally means more than money. Under such a condition, we doubt whether Chinese shipping companies can operate a skeleton service with the ships now available in their hands.

Recently we have learned from the Chinese press that the Ministry of Communication has contemplated a plan of developing China's shipping industry by adding new ships to the China Merchants' Steam Navigation Co., by granting aid to private shipowners and by issuing navigation bonds. In accordance with the report in the *Sin Wen Pao* on Oct. 26, it is stated that the Ministry of Communications has urged the government to issue the navigation bonds to give relief to and encourage development of China's shipping industry. While the news is unquestionably welcomed among Chinese ship owners, they, nevertheless, can only be taken with a grain of salt. The said Ministry has more than once in the past given publicity to its plan of shipping development, but its plan has so far remained on paper. The issuance of navigation bonds is also a familiar sound, this also proving an empty project. Only time can tell if the Ministry really means what it contemplates this time.

Japanese Shipping Suffers from Boycott

In view of the menacing and irreconcilable attitude of the Japanese militarists, we dare predict that Japan will not withdraw her troops into the railway zone in the immediate future. So long as Japan shows no signs of returning the occupied areas in Manchuria to China, there is no hope of resuming friendly relations between China and Japan. While Japan may force the Chinese government to suppress the anti-Japanese movement, she can not change the will of her people, unless the cause of the boycott is first removed. Thus the present deadlocked situation will continue on for some time yet. The local Japanese shipping firms, being fully aware of this hopeless situation, have contemplated closing down their offices temporarily, and approached other foreign shipping firms to have their idle ships chartered. So far no foreign shipping firms, as reported, have the temerity to arouse the ire of the Chinese people by chartering boycotted ships. Japanese shipping, which claims 27% out of the total tonnage in Chinese waters, is second only to that of Great Britian, which tops all with a percentage of 37%, while China ranks third with 23%. With Japanese ships passing out of the field of competition, China has the best chance to take over the volume of business which was formerly carried by the ships under the Japanese flag—so much so that China can gain some ground in the field of shipping.

The opportunity has already knocked at the door of Chinese shipowners, who at this opportune time should rise up to develop a firm stand in the field of shipping, before the opportunity will be grasped by other competitors in the field. China has been offered similar opportunities on many occasions in the past, but she has sadly missed them all. Of course, it is idle to expect much out of our ship owners at the moment when they have been tottering on the verge of bankruptcy as a result of the continuous internecine warfare. But fortunately, with the unification of the country, which so far has been progressing very smoothly in spite of the fact that the major problems which are essential to make the unification permanent, have not yet been touched. the government can not only release all the detained ships from the military service, but can also help the shipping companies with the money which would otherwise be squandered in wasteful wars.

Government Should Return Ships

By all means, the government should take two steps and take them immediately. First, the government should turn over all the ships which are now still detained for no obvious reasons. With the returning of their ships, Chinese shipowners can manage to share the benefits now exclusively enjoyed by the British shipping interests. Needless to add, Chinese ships, being few in number and old, are no equal to the fleet of modern ships maintained by the British and Japanese in the Chinese waters, and the gain by Chinese shipowners through the absence of Japanese competition can not be retained when Japanese competition is once again present. Therefore the government should immediately take the second step by giving financial assistance to the shipowners in the form of navigation bonds or in the form of subsidy. With the internecine warfare ended once for all, the government can save much money from the abandoning of destructive ends, and investing part of it, if not all, for constructive ends. With the financial source assured, there is no reason why the plan as contemplated by the Ministry of Communication can not be speedily carried out.

As I have said before, the Ministry of Communications has contemplated to add new ships to the China Merchants' S. N. Co. Since the said company is now under government control, it naturally receives the first attention of the government. The China Merchants' S. N. Co. is China's largest shipping company, but it now has only twenty-five ships, most of which are old and obsolete. Its tonnage at the present time is about 56,000, which is far less than that of the leading British and Japanese firms. In order to meet foreign competition and serve China's needs, its tonnage should be at least doubled within the shortest possible time. The Ministry has also promised to grant aid to the privately-owned shipping companies. The leading privately-owned companies are the San Peh S. S. Co. and the Chen Kee S. S. Co. The former has twenty-two ships with a tonnage of 35,000, while the latter has also twenty-two ships totalling 27,000 tons. Besides these two leading ones, there are numerous small companies which own two or three ships. So far as their tonnage goes, these private shipping companies are relatively small, but their influence in the future can not be overlooked. With the assurance of a government subsidy, all these companies with a small beginning can be developed into large proportions. When the s.s. *President Hoover* was here on her maiden trip to the Orient, one of the local shipping men, after inspection of that 36,000-ton mammoth ship, said, "My firm and Captain Robert Dollar's have been started nearly at the same time, but with government aid the Dollar Co. has now become the leading shipping firm of the world."

In order to carry out the above measures, the government has been urged by the Ministry to issue navigation bonds. The amount of navigation bonds, as originally contemplated a year ago, was reported to be $10,000,000, but its present figure as urged by the Ministry is not stated. Be it $10,000,000 or less, the government should act immediately. This government initiative will encourage the public to invest money in the shipping industry. With hard cash on hand, Chinese shipping companies, be they government-managed or privately-owned, can consolidate their respective positions by purchasing modern ships to replace the old and obsolete ones. Once their position is consolidated, they will be able to prevent Japanese shipping interests from regaining their previous position in Chinese waters, and furthermore pave the way for the abolition of foreign navigation rights.

Shanghai, November 24, 1931.

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Japan's "Narcoticization" of Manchuria

BY GARFIELD HUANG,
General Secretary, National Anti-Opium Association of China

IN this article I will describe the narcotic invasion of Japan into China which is of far graver nature than the recent military occupation by Japan of China's Northeastern Provinces, so far as its ultimate effect upon the life of the nation is concerned, but which, strange enough, has escaped the attention of the world at large probably because of its unattractive and less thrilling character.

In discussing this subject, I am not guided by any sentimental reasons against Japan but rather by a cold recital of facts. Indeed as far as the source of the narcotic drugs imported into China is concerned, certain western countries should take precedence over Japan. It is Japan, however, which should be held responsible for the prosperity of the Chinese drug market through the smuggling activities of her nationals resident in China and enjoying the protection of extraterritoriality.

In the third volume of the China Opium Year Book will be found a detailed account of the transportation of narcotic drugs in North China, a carefully prepared list of names and addresses of Japanese morphine shops at Tsinan, Tientsin, Shihchiachwang, and important cities in Manchuria, and photographs of arrested Japanese illicit traders whose shops were raided by local Chinese authorities and from whom pledges were exacted to stop this illegal traffic permanently subject to the penalty of deportation in case of violation. With the advance of the current year, the situation as described in the Year Book remains as it was without any sign of amelioration, while on the other hand, the tendency to aggravation is apparent in all respects. I beg to give below a brief summary of the smuggling activities of the Japanese in certain principal cities in the North for your information.

Illicit Traffic at Tsinan

(1) *Tsinan:* On September 20 in the current year, the Police attached to the Public Safety Bureau of Tsinan discovered an underground cave measuring some hundred cubic feet in a Japanese firm at Chinloh Road in which they found a large machine and 16 small ones with complete accessories for the manufacture of morphine pills, heroin and similar drugs. After a thorough raid, they caught hold of eighty bags of morphine pills and thirty piculs of materials for the manufacture of white pills. At 3 o'clock in the afternoon, the Bureau transferred the offenders and the siezed materials to the Japanese Consulate for trial. It is learned that the said firm having been operated for only a year had made a profit of upwards of hundred thousand dollars.

From December 15, 1928, to September 15, 1929, in the city of Tsinan alone, cases of smuggling and illicit traffic discovered by the Public Safety Bureau and the Japanese Consulate Police had entailed the arrest of a total of 58 Japanese traders and the seizure of some 30,000 dollars worth of white pills, heroin, and similar manufactured narcotics, which were burned in public on October 1.

On October 27, a Japanese by the name of Nagano Ichigoro was stabbed at Tsinan in connection with certain opium traffic affairs, which case later became the subject of diplomatic negotiations between China and Japan.

(2) *Changchun:* Changchun, one of the strategic cities in Manchuria recently occupied by Japanese troops, constitutes the center of the Japanese opium traffic in North Manchuria, where some twenty Japanese stores are engaged in the trade. In the month of November, the following smuggling cases were discovered by Chinese Police on the trains running through this section of the South Marchurian Railway,

(3) *Manchurian Railway:* (a) November 11, 1929, two Japanese by the names of Konishi Toshitaka and Takahara Shiro, were found in possession of 50 ounces of morphine which he brought from Nagasaki and intended for sale at Harbin. (b) November 14, 1929, a Japanese by the name of Aiuchi Shigeyoshi was found in possession of 10 ounces of morphine which he intended to sell at Kirin. (c) End of November, 1929, thirty-one boxes of morphine worth a total of $15,000 were detained at the Changchun railway station which were found to be the possession of a Japanese drug merchant by the name of Kawakami. This merchant dealt with the Chinese in drugs about ten times a month. In 1929 his total business amounted to 1,000,000 Japanese yen, out of which he made a net profit of 600,000 yen.

(4) *Harbin:* Harbin has a Chinese populaton of half a million, and a Russian population of one-fifth as much, and is by far the greatest market for morphine, heroin and other narcotic drugs in the Far East. These drugs are monopolized by the Japanese and transported from Dairen where the smugglers establish their headquarters. Of course, there are Chinese traders but they act mainly as agents of the Japanese. The retail business is as a whole in the hands of the Koreans who, as Japanese subjects, are exempt from the jurisdiction of the local Chinese authorities and therefore from punishment. The dispensaries established by these retail merchants number some hundred, and their business consists mainly of morphine injection. There are about six hundred Chinese and Russian beggars in Harbin who constitute the regular customers of these Korean dispensaries.

On December 16, 1930, it was reported that as a result of a search of the residence of a Japanese by the name of Yokakiba at Darien 4,300 yen worth of morphine was discovered. This Japanese was an employee ot the South Manchurian Railway Administration, and had perpetrated morphine smuggling for more than ten times of a total value of some tens of thousands of Japanese yen.

(5) *Kwantung Territories:* The Japanese Kwantung Administration is the headquarters of the Japanese opium monopolists in Manchuria, and has, attached to it, a Kwantung Opium Monopoly Bureau. In 1929, the Authorities contemplated to appropriate 350,000 yen for the construction of an Opium Monopoly Bureau on the space of the Civil Administration Office at Darien with the intention of perpetuating an opium monopoly scheme in such places in Manchuria where Japanese control is effective. All of the Japanese illicit traders lost no effort to make use of this opportunity to collaborate with the employees of all ranks in the service of the Bureau in pursuing their smuggling activities.

A detailed investigation reveals that there are 137 opium and 85 morphine shops in Dairen where money spent by Chinese in the purchase of narcotic drugs amounts to 10,000,000 Japanese yen per annum. In Port Arthur the number of opium dens and morphine shops is 15 and 9 respectively.

(6) *Peiping* : On March 25, in the current year, the Public Safety Bureau of the Peiping Municipality detained some twenty boxes of heroin and morphine of a total weight of 7,400 lbs. which were found to have belonged to a Japanese firm known as Tanimiza Yoko.

(7) *Tsingtao*: There are more than four hundred opium dens and some twenty heroin and morphine shops operated by Japanese loafers at Tsingtao. Sometime between January 22, and February 4, 1930, the Tsingtao Post Office received 101, "mails" from Siberia, Harbin and Tientsin of which 74 were registered parcels of sample goods sent from Hamburg, Germany, to a Japanese firm at 66 Chinshan Road, weighing 500 grams each, and the other 27 were registered letters addressed from Marseilles, France to a Japanese shop, weighing 1,000 grams each. These "mails" had a total weight of 1,685 ounces and were discovered on February 4, by the Post Office to have contained morphine and were detained. The contents were publuly burned February 15th., under the supervision of the local party headquarters.

The Situation in Manchuria

(8) *Tientsin:* In January, 1931, my Association sent a special staff member to Tientsin to conduct investigation into the local narcotic market. Sixty-nine Japanese firms and dispensaries for the sale of heroin, morphine and other poisons were found to have existed. The names of the shops and the amounts of their business per day have already been disclosed in the China Opium Year Book, referred to above. The Association had despatched some persons disguised as opium addicts to make some purchase and as a result had procured 28 small bags of heroin from as many different shops in the town. And they were all operated by Japanese nationals.

In 1929, I made an extensive trip into Manchuria to study at close range the narcotic situation in the important cities there, and was deeply impressed by the scriousness of the situation. As a result of my investigation, the thought strongly appealed to me that there must be in existence in Manchuria an extensive Japanese secret machinery for the conduct of drug manufacture and traffic. In one of the interviews with the highest executive of the Three Eastern Provinces I brought up this point and was definitely informed that there did actually exist such an organization with a factory (the location of which was believed to be in Port

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Authur) which could produce approximately 600,000 ounces of morphine per annum for Chinese consumption, He even went so far as to tell me of an offer he received from a representative of this organization of a bribery of 1,000,000 dollars per annum in return for his consent to allow the Japanese manufacturers to carry on their distribution activities without restraint and molestation in the provinces under his control. "I was greatly indignant over the proposal and rejected it at once," said this official, striking the desk with his fist to signify his anger when he narrated the story to me. You can thus imagine the Japanese plot of "narcoticization" of Manchurla before they perpetrated their recent act of military occupation.

Shanghai, November 23, 1931.

Japanese Prevent Payments for Hulutao Port Construction

A telegram from Mukden to the *Shanghai Evening Post* November 20 stated that as a result of the Japanese seizure of control of the Chinese Government's semi-government Manchurian banks in that city representatives of the Netherlands Harborworks Construction Company are unable to collect today G.$900,000 due for work at Hulutao, the great Chinese harbor which is intended to compete with the Japanese ports of Dairen and Port Arthur, outlets for the South Manchuria Railway. From a reliable foreign source, it was learned that these payments were held on advance deposit in accordance with the construction contract, in the Bank of the Three Eastern Provinces and the Bank of Communications. These institutions now are lamely operating under the supervision of Japanese advisers appointed by the Nipponese Army Headquarters. Monthly payments, which the Chinese Government's agreement with the Dutch company stipulates must be made through these Chinese banks, have been withheld since the Japanese occupied Mukden and sealed the vaults of the banks. With the November installment now due, the Netherlands Construction Company has been set back G.$900,000. In order to carry on preparations at Hulutao, the company has been forced to borrow G.$80,000 which foreign banks advanced on security from the known deposits kept in the Chinese banks. In addition to this amount, it is alleged that the Japanese are holding some $3,000,000 belonging to the Peiping-Mukden Railway administration which were to be spent on Hulutao and other projects.

It was further learned that the Revenues from the Salt Gabelle at Newchwang, a large portion of which was reserved, according to treaty, for the payment of foreign loans and interest, still are being sent to Mukden despite Japanese representations to the contary. The Newchwang salt office, which collects between $8,000,000 and $10,000,000 annually, recently delivered $300,000 to the provincial government set up by the Japanese Army at Mukden. Foreign business in South Manchuria still is depressed with the position uncertain of firms which extended credit to the former Chinese Government.

Andersen, Meyer & Co. Unable to Collect

A reliable American authority stated that faint hopes are held out for the collection of about G.$350,000 due Americans for equipment supplied Marshal Chang Hsuehliang's government, The largest item in this category i due Andersen, Meyer and Company, Ltd., for building a modern power plant at the port of Antung, which the Japanese have closed, switching business to the plant in that city owned by the South Manchuria Railway.

The Japanese also practically completed connections for transferring the source of power and light in Mukden from the Chinese owned plant to the Japanese plant at Fushun. The heavist losers in Mukden are the Germans to whom there is due more than $3,000,000 for materials sold the former regime. Much of these materials now are in the hands of the Japanese.

Dr. Wu Lien-teh Suffers Outrage at Hands of Japanese Military

A *Reuter* telegram from Tientsin Nov. 21 stated that Dr. Wu Lien-teh, China's foremost plague expert, while visiting Changchun recently was taken into custody by the Japanese military authorities there and conveyed to Mukden under military escort where he was detained for a day and, after questioning, removed to an underground basement without a bed, where he was kept for 48 hours. He was eventually released when he produced a British passport (he having been born in Singapore).

Some Light on the Iniquitous Treaty of 1915

THE recent discussions by the League of Nations in Paris of the treaty signed between Japan and China in 1915 brought forth trenchant comment from a high official of the Chinese Foreign Office at Nanking, November 18. He was particularly scathing regarding the attitude Japan is adopting towards this treaty and the claims she is basing upon it.

"Japan's desperate attempt to find, or invent, some justification for an essentially unjustifiable course of action has," he said, "taken on such a fantastic form that I wonder how anyone could so entirely forget that the human liability, or capacity, to be deceived must have some sort of a limit."

Having exhausted the powers of imagination of the living, he continued, Japan is now resorting to the most unusual and extraordinary means of stopping all further arguments against Japan's aggression by setting two deceased persons on the stage as their champion debaters.

Count Okuma's Article

Japan has referred, he added, to an article by the late Count Okuma, which was written in the year 1921, and has gone back to some alleged facts dating six years before the publication of that article. In the article a statement is credited to Count Okuma to the effect:

(1) That the 21 Demands were not an act of aggression on the part of Japan, but a matter of defence against a China that wished to fight with Germany against Japan.

(2) That these demands were presented to settle outstanding questions between China and Japan arising out of the Russo-Japanese war.

(3) That Yuan Shih-kai had himself suggested in this connection that the Japanese ultimatum should be delivered to him.

If the 21 Demands were really not an act of aggression, but a measure of defence against a China which desired to fight Japan under German influence, then with the defeat of Germany and the elimination of her influence in the Far East Japan should have immediately offered to cancel the treaties and agreements of 1915 at the time of the Versailles Treaty, instead of insisting upon their recognition to the bitter end.

Questions Already Settled

Historically speaking, continued the Foreign Official, Yuan Shih-kai's monarchy movement did not start until the autumn of the year 1915, whereas these Treaties were concluded in May. In the second place as an answer to the allegation that these demands were presented to settle outstanding questions arising out of the Russo-Japanese war it may be pointed out that those questions were definitely settled by the treaty of 1905 when China gave her consent to all the transfers and assignments made by Russia to Japan by virtue of the Portsmouth Treaty.

It was Japan that sought to unsettle these questions by making new and additional demands upon China.

The assertion that Yuan Shih-kai had himself suggested that an ultimatum should be presented to him is not true, declared the Foreign Office official. It is well-known, he said, that Yuan Shih-kai and all the members of his Government at the time, were most indignant at the ultimatum, and meeting after meeting was held during the brief period of 48 hours dictated by the ultimatum. If the Japanese assertion was true it is certain that Japan would have made the revelation earlier, when her aims and methods in connection with the forcing of the 21 demands upon China were so much criticised by the world.

China and the War

As to the accusation that China was just about to join the war on the side of Germany, the Foreign Office official stated that every student of Far Eastern politics knew that Japan had repeatedly opposed China taking any part in fighting Germany, both on the eve of the capture of Kiaochow, and later, when the United States had joined the War.

The indisputable fact he said, is that Japan persistently kept China out of having any part in the War against Germany until Japan herself had time to conclude a secret treaty showing her interests and claims in Shantung. Japan with all these valuable "facts" in her secret possession had, for mysterious reasons known only to the Japanese, deemed it untimely to make a revelation throughout the whole of these last fifteen years since these Demands were forced upon China.

If no other party appreciates the necessity of making a spurious revelation at this time, at least the Foreign Office at Tokyo does, stated the official, for it has just instructed all its representatives abroad to correct the misunderstanding that the 1915 agreement was accepted by China under duress by echoing the story of this alleged article by Count Okuma. They have also been instructed to improve upon it by adding that the terms referring to South Manchuria railway, Port Arthur, Dairen and the right to lease land were accepted by China prior to the presentation of a Japanese ultimatum and that no objection was raised at the time of the Washington Conference.

These arguments, said the official, are neither sound nor true. The ultimatum was not the only form of duress used during the course of the negotiation, but merely the climax and last act of a course of coercion. The Chinese delegates to the Washington Conference most vigorously challenged the validity of the agreement concluded in such circumstances. That is a matter of record accessible to anyone who knows anything about the Washington Conference. The Kaiser now takes no part in world politics and the voices of both Yuan Shih-kai and Count Okuma are silenced for ever, But there are still persons living who are familiar with the facts of the case and the world still contains men who can think and see through a joke.

To argue that because China accepted certain points relative to Manchuria prior to the delivery of the ultimatum by Japan that therefore the 1915 Treaty was not concluded under duress is entirely unsound, he continued. An agreement to one or two points in the course of diplomatic negotiations is at best a temporary acceptance subject to and conditioned upon the successful issue of the negotiations as a whole. The negotiations in 1915 were not concluded until after the presentation of the utilmatum. But it was not this fact alone but the whole circumstances under which the demands were presented and discussed which were objectionable. These demands were presented by Japan to China in 1915 at a time when friendly relations existed between them and without any provocation on the part of China.

American Point of View

The circumstances under which the treaty of 1915 was negotiated, emphatically declared the Foreign Office official, stand out as unique in the annals of international relations. So exceptional were these circumstances that the U.S.A. made it a point, in referring to them in the identical Notes of May 13, 1915, addressed to the Chinese and Japanese Governments, to declare its inability to recognise any agreement or any understanding thus entered into.

China on her part immediately thereafter published a formal statement protesting against the agreement which she had just been compelled to sign. Even in Japan, Mr. Hara, later the Premier of Japan, criticised the negotiations in a resolution introduced by him in the Japanese Diet in June, 1915, which received the support of some 130 members of the Diet. Mr. Hughes the American Secretary of State, in referring to the most favored nation terms, in connection with the right to lease land in South Manchuria, qualified his remarks by the sentence that the question of the validity of treaties between Japan and China was distinct from the question of the treaty rights of the U.S.A., under its treaties with China. It is perfectly evident that in claiming for American citizens equal rights under the most favored nation clause, Mr. Hughes was not at all admitting the validity of these treaties and agreements made in 1915.

In short, concluded the Foreign Office official, these Japanese allegations have always been contested by the Chinese Government and people, and a formal reservation as to these treaties of 1915 was made at the Washington Conference by China when she stated she would seek a solution on all future appropriate occasions.

Secrets of International Drug Traffic Bared in Swiss Court

Startling revelations are being disclosed regarding the international drug traffic through the trial of Dr. Fritz Mueller, a well-known chemist, who together with six of his associates is being tried at Basle, Switzerland, on a charge of having acted as European agents for an international ring of narcotic smugglers. When cross-examined by counsel for the prosecution, Mueller admitted that on one occasion he had handed, at Geneva, heroin to the value of 200,000 Swiss francs to a man named Borella, and that this consignment had gone to the Far East. The defendant, however, refused to reveal the identity of the mysterious Borella, though from the questions of counsel it would appear that he is suspected to be a diplomat who smuggled the drug out of Switzerland and into China in his diplomatic baggage.

Wellington Koo Appointed Acting Foreign Minister

Dr. V. K. Wellington Koo was appointed on November 23 to be Acting Minister of Foreign Affairs at Nanking, taking up the post made vacant by the resignation of Dr. C. T. Wang on September 30, following a serious assault made on him by a group of students who accused him of mishandling the Sino-Japanese dispute. Dr. Koo is one of China's most brilliant diplomats, and has held many important posts.

Dr. V. K. Wellington Koo

Dr. Vi-kyuin Wellington Koo, to give him his full name in English, or Ku Wei-chun as he is known in Chinese, was born in Shanghai in 1887. He received his education at St. John's University, Shanghai, Cook Academy, and Columbia University. He distinguished himself in editorial and literary work not only during his student days but since. He is the author of "The Status of Aliens in China' He holds A. B., M. A. and Ph. D. degrees. When he returned to China from the United States in 1912 he joined the Government service as secretary to the Cabinet and to the President. He was secretary and later councillor int he Ministry of Foreign Affairs, 1912-15; in July, 1915 he was appointed Chinese Minister to Mexico and three months later was transferred as Minister to the United States and Cuba; as Chinese delegate to the Paris Peace Conference, 1919, he advocated refusing to sign the treaty; Chinese delegate to the International Labor Conference, 1919; chief Chinese delegate to the League of Nations, 1920; Chinese Minister to England in 1920; member of the Administrative Council of the League of Nations, 1920—was chairman for some time; Chinese delegate to the Washington Conference, 1921; was given the rank of Ambassador in Nov. 1921; returned to China in 1922 and was appointed president of the commission for the dicussion of financial questions; acting Minister of Foreign Affairs, 1922; chief of the preparations bureau for the Special Tariff Conference, 1922, being relieved of his portfolio of Foreign Affairs; again appointed acting Minister of Foreign Affairs in 1923; in January, 1924, he became Minister of Foreign Affairs and later acting Prime Minister; upon the resignation of the Cabinet *en bloc* in October 1924 he retired; appointed Minister of Finance in May, 1926 and set a precedent upon his resignation by publishing a complete statement of the receipts and disbursements during his tenure of office; he again became Minister of Foreign Affairs in October, 1926 and was appointed concurrently president of the Customs Tariff Commission; he formed his second Cabinet in January, 1927, and was concurrently Minister of Foreign. Affairs; he resigned with his Cabinet in June, 1927, and since then had been living in retirement, mainly at Peiping, up to the time of the present appointment.

The Drain of Gold from Japan

The Yokohama Specie Bank shipped another fifteen million yen in gold to the United States by a steamer leaving Yokohama November 24. This makes a total of Yen 230,000,000 gold shipped out of Japan during the past three months. A *United Press* message from Tokyo November 23 stated that the Yokohama Specie Bank is preparing for at least one more shipment of gold to the United States before the end of the current year.

In the United States Court for China

In re. Estate of CARMEN ROLKER Deceased

Cause No. 3337
Special Proceedings No. 747
NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Carmen Rolker deceased, to present the same with vouchers to the undersigned on or before June 1, 1931, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Shanghai, China. (Mrs.) Alice Herlofson
November 18, 1931. 614 Rue Lafayette

JAPAN'S ACTIVITIES IN MANCHURIA

The November issue of the CHINESE ECONOMIC JOURNAL (ready on November 16) will contain six timely articles on Manchuria, covering:

(1) JAPANESE RAILWAYS

(2) JAPANESE FINANCIAL INTERESTS

(3) JAPANESE MIGRATION INTO MANCHURIA

(4) JAPAN'S LOAN OPERATIONS

(5) JAPANESE AGRICULTURAL AND INDUSTRIAL ENTERPRISES

(6) JAPANESE TRADE WITH MANCHURIA

Those wishing to have the facts, presented in condensed and interesting form, pertaining to the political crisis in the Three Eastern Provinces should apply promptly for a copy as the supply is limited.

BUREAU OF INDUSTRIAL & COMMERCIAL INFORMATION

MINISTRY OF INDUSTRIES
CUSTOMS BUILDING
SHANGHAI

In the Fields of Finance and Reconstruction

New Gold Embargo Order Issued By Finance Ministry

According to a *United Press* dispatch from Nanking Nov. 14, the Ministry of Finance has issued a new order reinforcing previous regulations as strictly forbidding the export of gold from China to foreign countries.

S.M.C. Acquires New Land Sites for Municipal Construction

A report published in the *Shanghai Evening Post* stated that the Shanghai Municipal Council has recently acquired several new land-lots aggregating 41,593 mow in various parts of the International Settlement for construction purposes. The total price paid was $639,492.37.

Additional Postage Collected on Mails Destined for N. Fukien

The Shanghai Postal Commissioner announced on Nov. 13 that owing to the high cost of transportation in Fukien half additional rate of postage will be collected on parcels for places in northern Fukien upon delivery.

Loan Proposed for Conservancy Works on Huai River

According to information emanating from the Huai River Conservancy Board, a proposal is being made from some quarters to float a loan in foreign countries to the amount of $100,000,000, which will be secured on the British share of the British Indemnity Refunds. However, thus far no definite scheme has been worked out for the actual carrying out of the proposal. Work concerning river conservancy in the Huai River is understood to have been postponed and will be carried out at the end of the current year.

New Planes Ordered from England Due in Shanghai Soon

According to a report in the *China Press*, a consignment of 12 new airplanes ordered from England by the Aviation Department of the Ministry of War of the National Government is expected to arrive in Shanghai within a few days. These planes. each of 120 horse power and 100 miles per hour speed, will be sent to Nanking after being assembled here at the Hungjao airdrome. They will be used for the practice of students of the Aviation School of the War Ministry.

December 1 Fixed as Date for Enforcement of New Flood Surtax

Reuters service has learned from authoritative sources that the new flood relief customs surtax of 10 per cent on all imported goods, except those which are ordinarily exempt from Customs duty will go into force on December 1. The new levy will remain effective successively for eight month until the end of July 1932 and beginning from August 1, 1932, it will be displaced by a new flood relief surtex of 5 per cent with no time limit. The regulations Governing imposition of the tax have been approved by the Central Political Council and have been referred to the Finance Committee of the Legislative Yuan for examination and adoption.

Old Socony Office Building to Give Way to New Service Station

The old grey-colored office building of the Standard Oil Company of New York on Szechuen road is being demolished and a new service and filling station will be constructed on the demolished site, according to an announcemment by officials of the Company. The new structures will be ordinary filling and service stations similar to those owned by the Company on the outskirts of the city. A bigger parking space will be available when the new stations are completed and motorists will be more conveniently attended by the better and more complete facilities to be provided in the new stations. The various departments of the Standard Oil Company which until recently were housed in this old building have been moved into the regular office building at the corner of Szechuan and Canton Roads. The stations are expected to be completed before the end of the present year.

Construction Activities Slackened in French Concession in October

A total of 45 permits for the construction of both Chinese and foreign houses was issued by the Public Works Department of the French Municipal Council during the month of October. This figure shows a decrease of 25 per cent as compared with that of the preceding month. Among the permits issued eight are for the building of 13 foreign-style houses and 20 for 213 Chinese houses. Most of the Chinese houses are residences of modern type and with sanitary equipments. Other permits issued during the month included 166 for construction of miscellaneous buildings and 166 others for repairing and demolition.

China Development Bank Opened Here with Befitting Ceremony

Adding to the long list of banking institutions in Shanghai, a new bank, the China Development Bank, was formally opened here on Nov. 12. The bank is housed in the ground floor of the newly completed building at number 5 Szechuen Road. The opening ceremony was presided over by O. S. Lieu, promoter and chairman of the board of Directors of the Bank and was attended by large number of prominent merchants in Shanghai including Yu Ya-ching, Wang Hsiao-lai, Y. M. Chien, Yeh Hui-chun and others. Besides undertaking all usual banking business, the new bank will also maintain a Savings Department and has already started a Sunday Savings and an old-age saving system.

Handsome Chinese Houses Completed on Race Course Road

A block of high class four-story Chinese residences has been completed on the New Race Course Road which runs through from the corner of Weihaiwei and Chungking Roads and stands ready for occupation. Of reinforced concrete construction and fireresisting throughout, each house contains two living rooms, a kitchen, and a bath room. Modern in every respect and containing up-to-date sanitary arrangements, the houses are inteneded for one tenant but ground floors of some of the houses may be sub-let and occupied as shops. Each house is wired so that the tenants may use electic cooking equipment if they desire and if they do not the gas cooking stoves are available.

At the back of the property, there has been laid out a garden for the recreation of the tenants and, in addition, there is a private road which runs behind the houses, from which occupants of the flats may enter the event of the ground floors in front being used as shops.

Architectural plans were designed by Messrs. Lester, Johnson & Morriss; the general contractor was Sing King Kee Ziang Wo; the electrical equipment was installed by Messrs. Jardine, Matheson & Co., and the sanitary fittings were arranged by Messrs. Elm & Co.

Rail Ministry Plans Huge Order of Locomotives from Britain

According to a *Kuo Min* dispatch from Nanking on Nov. 19, the Ministry of Railways is arranging for the purchase of a huge consignment of locomotives, passenger and freight cars to augment the present rolling stock of various government railways. A total of 114 locomotives will be imported; and 119 passenger coaches and 587 freight cars will either be imported or built in China according to the plans. The new equipment will be as follows:

	Locomotives	Passenger Coaches	Freight Cars
Peiping-Liaoning Railway	20	—	200
Kiaochow-Tsinan Railway	10	—	200
Tientsin-Pukow Railway	16	40	120
Lung-Hai Railway	16	—	200
Shanghai-Nanking and Shanghai-Hangchow-po Railways	20	32	—
Peiping-Suiyuan Railway	4	—	67
Peiping-Hankow Railway	12	—	—
Hunan-Hupeh section of Canton-Hankow Rwy.			
Total	114	119	587

It is understood that most of the locomotives will be imported from Great Britain.

Bakerite Company Builds New Factory at Ferry and Sinza Roads

Work has been started on the construction of a five-story modern factory building by the Bakerite Company at the corner of Ferry and Sinza Roads. The land for the new factory has been recently purchased for $200,000, while the new building under construction is estimated to cost more than $210,000. The factory when completed will house the latest manufacturing equipment for producing specialized food products of the company which for the past ten years has been making and distributing bread, cakes and many kinds of choicest food products. The company owns the well-known Chocolate Shop located on Nanking Road. The production of the new factory will be large-scale throughout with one floor and part of another devoted to bread baking and equipment for making candies covering another floor. Construction work on the building is still under way and is expected to be completed early next year.

Japanese Finance Department Publishes November Trade Figures

The following statement giving the approximate figures of the Japanese foreign trade during the second ten days of November was issued by the Finance Department of the Japanese Government as carried by a *Rengo* dispatch from Tokyo dated November 20:

Export	Yen 26,759,000
Import	,, 33,459,000
	Total Yen 60,218,000
Excess in Import	Yen 6,700.000

Summing up the totals, since the beginning of January this year, Japan's trade return to date, shows:

Total Export	Yen 1,037,734,000
Total Import	,, 1.097,330,000
	Grand Total Yen 2,135,064,000
Excess in Import	Yen 59,596,000

Shanghai-Canton Airmail Planned, New Service to be Started Next Year

Preparations are being made by the China National Aviation Corporation for the inauguration of a regular airmail and passenger service between Shaughai and Canton, according to a report in the *Shanghai Evening Post*. The route to be taken by the projected line will be along the China coast. Landing stations are planned at Ningpo, Wenchow, Amoy, Foochow and Swatow. Other intermediary stations will be added if necessary. Owing to the unfavorable weather at this time of the year, test flights for the new line will not be made until early next year. Purchase of new airplanes for the line is also under consideration. The type has not been decided upon although it is considered that amphibians will be more suitable for flying along sea coast routes. In planning the line, the China National Aviation Corporation is realising a third of its program for development of commercial aviation in China. The corporation is at present operating regular airmail and passenger lines between Nanking and Peiping and Shanghai and Chungking.

Work Started on New Medical Research Institute on Avenue Road

Work on the construction of a Medical Research Institute financed with the late Henry Lester's endowment to the Shanghai community has been commenced at a site on Avenue Road, near the interesection of Hardoon Road. It is stated that the Institute will contain special departments for advanced study and experimentation in pathology, medicine and other fields of science and will also maintain clinics. The establishment of this institute and construction of the building were stipulated in the will of the late Henry Lester, the British millionaire formerly connected with the firm of Lester, Johnson and Morris. The affairs in connection with the establishment of and construction of the building for the institute are administered and executed by the Lester Trustees. It is reported that Dr. G. Earie, prominent medico of the Hongkong University, will take charge of the new institute.

Will Cost Tls. 600,000

Facing the south. the new building occupies an area of more than three mow of land. It is a seven-story structure, estimated to cost $600,000 for construction alone. Another large sum is understood to have been set aside for fixtures and apparatus.

Sing King Kee, contractor, is building the new structure. It will take about four more months to complete the new building. It is in reinforced concrete.

NELSON

Whose historic signal "England Expects Every Man Will This Day Do His Duty", inspired his men to victory over great odds, rose to fame because all his life his watchwork was "Duty."

Duty cannot be shirked without loss in some respect, and in the vital matter of health it is everyone's duty to pay some attention to the needs of his body.

Uuder the unnatural conditions of modern life, the use of an occasional aperient to cleanse the food tract is a duty that if neglected often has disastrous results. It is a kindness to yourself to take

PINKETTES

the dainty little liver and laxative pills every now and then. Pinkettes, all vegetable, absolutely harmless and non-habit-forming, gently yet swiftly cleanse the internal passages, remove the accumulation of waste matter that is so defrimental to health.

Keep yourself clean internally, with Pinkettes. It is

YOUR DUTY TO YOURSELF

密勒氏評論報

南京分銷處

茲爲便利閱戶起見
祗須電話通知卽派
專差送上免勞往返
定價每本小洋四角
與申一例

南京下關

汪宸記報社

電話四一八一二

October Realty Trading Dropped Due to Money Tightening

Trading on the local real estate during October showed considerable slackening as compared with the previous month, according to the *Realty Market*, monthly publication of the China Realty Company. Tight money is blamed for this sudden drop. Real estate is a costly commodity which requires heavy financing and in the absence of large and easy finances it is natural that trading should be on the low side, the magazine points out.

Prices were firm throughout the month and there is no reason to assume that this firmness should change for an easy tone. Even if some owners who have overspeculated should come into the market with their properties, it would have little or no effect on the general trend of prices. After all, bargains are sometimes obtainable even in boom periods, the booklet continues.

The total reported transactions amount to approximately G.3,250,000, which, considering all factors, compares favorable to the turnover of September amounting to G.8,250,000.

Lull Occurs in Building Activities in Shanghai as Winter Approaches

Due to the approach of wintry weather and other reasons, a lull has occurred in the building activities in the Greater Shanghai Municipality. According to statistics released by the Bureau of Public Works of the Municipal Government, the number of building permits issued during the month of October totalled only 239. The new structures for which licenses were issued during the past month occupy a total of more than 43,000 square meters and are estimated to cost approximately $1,6000,000. The October figures revealed a slight decrease both in area and costs of construction as compared with those of the previous month. However the figures for this month showed a two-fifths increase over those of same period last year. Nantao led in construction activities, while Chapei came second but continued to retain the leadership so far as the total area occupied by new structures are concerned. Hungjao Road district ranked third and Woosung fourth. Other permits issued during October included 238 for repair of old houses, 187 for miscellaneous fixing and 34 for demolition for redevelopment.

New Group of Office Building and Hongs to Go Up on Peking Road

Work has been started on a group of new structures comprising an office building, a godown and several Chinese houses on a land lot adjoining the site of the new China State Bank Building at the corner of Honan and Peking Roads. The new structures, which are being built for a wealthy Chinese merchant, are designed by the Yangtsze Development Company. All three types of building—office, godown and Chinese hongs, are of the latest type, convenient and suitable to the site they are going to occupy. Facing Peking Road will be the office building, a six-story structure with a basement. The office building will have its entrance on the extreme western side of the structure where a lift will be installed. On the east of the entrance will be four modern shops of foreign style.

The upper floors are so arranged as to provide spacious office accommodation and to allow light and ventilation despite the congested condition of the vicinity the building occupies.

When the new building is completed, the acute shortage of office accommodations in the central district will be greatly relieved as it will provide no fewer than 7,000 square feet of office space. The building will be installed with central heating system and all sanitary equipment.

Behind the building will be a group of Chinese hongs. They will be two story structures. These buildings have been designed to provide accommodation for Chinese style business establishments desiring no display windows. They will be ideal premises for native banks, gold bar brokers, and other establishments of similar nature.

This group also will be of latest type. Although they will be buried between the tall structures in the neighborhood, ample ventilation and light will be provided by the wide alley separating them from these buildings. They will be made in brick.

Behind these two rows of Chinese hongs will be the three story godown, to be built in fire proof, burglar proof and water proof materials. The godown will have the advantage of the riverfront and a wide street now being built by the Municipal Council adjoining Soochow Road. This building will be in reinforced concrete,

In redeveloping the property, the owner surrendered a strip of land 22 feet in width to the Council for Peking Road widening. On the Soochow Road fronting, the owner surrendered a strip of land 55 feet wide.

The office building, which will be separated from the China State Bank building, now under construction, by a private alley, will have a granite facade and face bricks on the upper floors, where much space will be taken up by the windows.

The entire project, it is said, will cost more than ₹550,000, excluding the value of the land and cost of fixtures and furniture. It it expected to be completed in one year.

Government Bonds Witnessed Sharp Decline as Tsitsihar Falls

The sensational fall of Tsitsihar into Japanese hands, refusal of Canton to take part in the newly organised Finance Commission at Nanking, apathy of the League of Nations Council at Paris in regard to the Manchurian situation and rumored renewed outbreaks at Tientsin have precipiated a sharp decline in the prices of the Government bonds and caused an average loss of more than four and a half points, according to the weekly bulletin issued by the Messrs. S. D. Wang and Company. The last day of trading in the bonds on the China Merchants Stock Exchange for the week ending November 20 witnessed a decline in prices ranging from 10 to 4.00 points. It was the climax to a week of comparatively dull activities influenced by a general hensitancy toward favorable as well as adverse occurences in the domestic and foreign fields of politics.

The market opened weak and continued in a stage of progressive envervation with the announcement attributed to Messrs. Wu Chao-chu and Wang Ching-wei that Canton will not participate in the newly organized Finance Commission. The gloomy atmosphere that prevailed in Paris on the eve of the reconvocation of the League's Council probably had some effect toward increasing the pessimism of the traders.

The presence of leading Shanghai bankers in Nanking to participate in the deliberations of the Finance Commission followed by the announcement of the six months' budget submitted by Minister T. V. Soong improved matters a bit, and, by the end of business on November 17 a favorable turn in prices was noted. Mixed conditions ruled during the next day as traders tried to weigh the consequences of this development against the evident inertia of the League Council. Then on Thursday the news that the battle for Tsitsihar was in progress, and later its capture by the Japanese forces, brought about an average decline of less than a point, On Friday morning's first session there was an average drop of more than a point as the significance of General Ma Chan-shan's defeat by the Japanese was indicated by reports substantiating Japan's complete occupation of Heilungkiang's provincial capital.

To this highly nervous situation was added the news of Dr. Alfred Sze's published letter to the Council of the League wherein China's chief delegate charged that the members of the League of Nations "will not lift a finger in the defense of the Covenant." To some of the influential operators this presaged China's withdrawal from the League with consequences that could not be foretold. The market was psychologically ready for a skid on the slightest pretext. This was not long in coming. The wildest and most fantastic rumors that seemed literally to come out of thln air swiftly circulated. They were to the effect that riots had again broken out in Tientsin, that Japan was urging the League of Nations to withdraw recognition from Nanking as the Government of China, and that the Canton Government was prepared to repudiate all domestic loans.

The most hectic session of the week was on. A drop of over three points was marked against 20th Year Customs. Other issues declined an average of about two points. At the end of the session, which also was the last for the period of this review, Consolidated Tax had lost four points for the day. Rehabilitation, 19th Year Customs, 20th Year Tobacco, 20th Year Customs, and Salt bonds all dropped two points or more.

The week's toll was an average loss of more than four and a half points. While fluctuating at 6.40 points, Consolidated Tax sustained the maximum loss of 6.20 points on November contracts, while dropping 4.90 points on December transactions that swayed 6.10 points.

Twentieth Year Customs was off 5.75 and 5.55 points on November and December deals respectively. Salt Revenue and 20th Year Tobacco declined more than five points on current month contracts. All others dropped over three points.

The week's total volume of business was under $50,000,000.

As this report is being prepared on Saturday morning, the opening session of the China Merchants Stock Exchange is a scene of pandemonium. Prices are taking a perpendicular drop, and suspension in the trading of a number of issues has already been ordered. This panic is traced to the news report that Japan has defiantly notified the League Council that she will not evacuate Chinese territory even if the lives and properties of Japanese nationals in Manchuria are assured, and that she will withdraw her troops only when China has signed a treaty validating what Japan claims to be her treaty rights in Manchuria.

While the Apostles of Lenin Look On

To the Editor, *The China Weekly Review*:—

In 1914 the world witnessed the glorious spectacle of a war to end war. Subsequent Peace Pacts, Disarmament Treaties and other kindred diplomatic humbug, which are all conveniently relegated to the KIV archives of their respective Foreign Offices, give the lie to the popular belief that War as a remedy for settling international disputes is obsolete. That languid baby, The League of Nations, given birth by the late President Wilson in a moment of utopian perversion but hastily disowned by Uncle Sam, has been singularly successful in discovering how naughty the eastern people are in the matter of opium, muitsai and prostitution. No less successful has it been in avoiding the very issues for which it was supposed to meet. Today China is faced with the noble prospect of turning to Japan the other cheek or alternately becoming immediately disintegrated whilst the League finding the Nakamura and Thornburn incidents convenient pegs to hang its conscience on, calmly avoids treading on Japan's toes. Just another case of Nero fiddling whilst Rome was burning, only with more disastrous effects. In its passivity the League has given silent approval to Japan's Machiavellian policy in Manchuria, and has wisely briefed the *London Times* for her defence. A war with China does not add another feather to Japan's cap; it is not even a criterion of Japan's might. At this moment she is having a touch of Megalomania owing to an overdose of that banzai spirit and a war would have given her the necessary sublimation and the necessary practise for her paraphernalia of Armageddon, in her coming tilt with the world. In the face of all these studied insults and aggression is China expected to sit up and applaud? On the other hand the apostles of Lenin are waiting for an opportunity to operate the five year plan in China. Can any one blame China then, if she should accept the lesser evil?

LIM KONG-AIK.

Penang, Straits Settlements, November 12, 1931.

The Japanese Insistence on "Direct Negotiations"

In the Nov. 19 issue of the *Japanese Times and Mail*, an official newspaper published in the English language in Tokyo, there is published as a full page announcement in type a third of an inch high the copy of a "Message Sent to Ambassador Yoshizawa by the Japan-China Economic Association," for Presentation to League Council, in which the following statements occur:

"It is undeniable that the power of the Nanking Government does not extend to Manchuria and China is unable to maintain peace and order there. China, therefore, is in a position where she cannot translate the League's advice into actuality. Her acceptance of the League's advice does not contribute one whit towards the solution of the existing problem.

"It is one of the racial traits of the Chinese that they depend on some third party for the solution of problems to which China is a party. In China passers-by are often called in to interpose in some domestic dispute.

"Suppose China succeeded in solving the present Manchurian issue through the interposition of the League of Nations; she will present all disputes with this country to the League in the future. Neither the League nor Japan can be troubled with such a state of affairs. Japan cannot tolerate delay in the solution of the present problem, in view of the vital importance it bears on our country. A vast number of our nationals live in Manchuria and our investments amount there to an immense sum. It is absolutely necessary for this nation to solve the Manchuria problem as quickly as possible through direct negotiations between the two nations."

WHY SUFFER NEEDLESS PAIN?

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New Books of Interest in the Far East

Chinese Musical Drama in German

Die Laute, by Gau Ming. Ein chinesisches Singspiel in deutscher Sprache, von Vinzenz Hundhausen. (The Lute, Chinese Musical Drama in the German language), by Vincent Hundhausen. Peking Publishing House. 496 pp.

Gau Ming, the author of this old Chinese drama, *Pi-Pa-Dji*, (The Lute), which has now been translated into the German language by Vincenz Hundhausen of the Peking National University, was a poet of the 14th Century. A high Government official, strongly opposed to the ruling Yuan Dynasty, he soon retired from public life and settled down in Ningpo, where this drama was produced. For the period in which he lived he was a modern man. Although the hero of his drama somewhat surpasses himself in virtue and faithfulness, still through the minor characters the dramatist deals many a blow at the officials of the period. The hero, Tsai Yung, was a real person, but his destiny as pictured by Gau Ming is fictitious.

The drama is written in 42 sections. Tsai Yung, the hero, is the son of a lower middle class family who is ordered by his father to take the great State examinations in the capital. Although not wishing to leave his old father and mother and his young wife, still his father's wish is law. and he proceeds to the capital. There he is not only successful in the examinations, but he is so talented that he wins the highest rank, after which he is ordered by the Emperor to marry the daughter of the Premier. He would prefer to sacrifice fame, honor and marriage to the lady of high degree, and return to his first wife; but, as the son of a simple man, he dare not disobey the order of the Emperor. As the son-in-law of the Premier, he leads a life of of a mighty and powerful official; nevertheless, his new wife soon learns that he is deeply unhappy about his parents and his first wife.

During this period of his power and luxury at court, a terrible famine is raging in his own province, yet the government appears to know nothing about it. And as at other periods in Chinese history, corrupt officials have bought up all rice stores from the famine territory and left the starving, who cannot pay their prices, to die. Wu Niang, the deserted young wife of Tsia Yung, living with his parents in this province, sacrifices everything in order to keep his parents alive. A model of filial piety, she gives them the last bite of food, nourishing herself on nothing but chaff or rice hulls. Despite her sacrifice, the parents die of starvation and, after piously burying them, she wanders through the land as a beggar-woman, at last reaching the capital. Searching for her husband, she finally reaches his home, where his second wife not knowing her, employs her as a servant. But when the second wife hears her story, with its burden of virtue and faithfulness, she, the daughter of the Premier, offers the beggar-woman the positon of first wife.

This drama simply flows over with morality and virtue. The virtues of the two women are exaggerated and far from real. One must speculate on what would really happen were the silk-clad daughter of the Premier of an Empire in rooms of elegance and luxury, and protected from every reality of life, suddenly confronted by a beggar-woman, who announces that she is the first wife of the high lady's husband. In the first place, it is highly improbable that a beggar-woman would ever be permitted to enter the rooms of a great lady.

Despite the obtrusive virtue of the chief female figures and despite the unbelievable reconciliation between the rich and the poor which constitutes a part of the book, nevertheless the volume is worth reading. All those who take an interest in Chinese customs and social conditions, can learn much from it. The various ways of life of the different social classes are vividly pictured: on the one side is the extravagant court life in the capital city, with pompous high officials who express their own particular view of the world; on the other side is the life of the distant Province in which Tsai Yung grew to manhood, where his father lived on the poorest food that the son might have something better and, instead of being "small and poor" might become "great and rich;" in this home we get a vivid picture of the old mother's sorrowful realization that when her son goes to the capital there will be none left to care for the old people. Here are also typical corrupt and faithless officials who are so true to type that they might be taken from the present day—the Mayor, Chief of Police, and the Judge, all of whom corner and speculate with rice and are responsible for the heavy toll of life during the famine. A few of their lines follow:

> The Mayor: "When I buy rice I use a bushel that measures 11/10, and when I sell smuggled salt, my scales weigh only 9/10 of what lies on the pan."
>
> The Chief of Police, appearing, sings: "Before my superiors I cringe and flatter; but *here* I keep my nose in the air and am a despot. When I capture recruits for the army, I take the poor, but leave the rich at home.. The weak must pay double and treble the amount of their taxes..to torture and deceive the people is my profession!"
>
> The local Judge, appearing on the stage, sings:
>
> "I know what responsibility is that of the court of Justice; give justice to those whose presents weigh the most!"

Vincent Hundhausen, Professor in the Peking National University, who has translated this drama into German, states in the preface that he has held closely to the original. Translations from the Chinese into foreign languages, generally lose very much in purity, in vividness and in the Chinese manner of expression. Hundhausen, in undertaking the hazardous enterprise of transposing the Chinese rhythm into German rhyme, has perhaps transformed the work completely from its original poetic form into a translation that has a ring of German folksongs about it. This form is most certainly not true to the original of Gau Ming. Despite this, however, anyone who is as much of a poet as is Hundhausen, or anyone who is so fluent and vibrant in verse as is he, can be pardoned for this change. His mastery of the German language is astonishing; the deeper the emotion or more significant the event, he translates, the more simple, unbombastic, sensitive and carefully selected, are his words. This is especially noticeable in the sorrow of the mother at her son's departure from their simple home, as well as in the beauty with which Hundhausen permits the women characters to speak. Hundhausen is a real, a great lyric poet such as one seldom finds today.

U.H.

"Glorified School Books"

Changing Civilizations in the Modern World, by Harold Rugg; Ginn and Company, New York, 1930. Illustrated and with charts, maps, appendix and index. 633 pages.

A History of American Government and Culture, by Harold Rugg; Ginn and Company, New York, 1930. Illustrated, and with maps, appendices and index. 635 pages.

These two volumes by Professor Rugg, of the faculty of Education in the Teachers' College, Columbia University, are, respectively, numbers two and four of what is called The Rugg Social Science Course in six volumes.

The first book in this series is entitled "An Introduction to American Civilization", and is devoted chiefly to the study of economic life in the United States. The next volume is "Changing Civilizations in the Modern World," with its sub-title, "A Textbook in World Geography with Historical Backgrounds." It broadens the scope of the student's vision, considers the great industrial nations and the changing agricultural countries, and shows their interrelations. Just to glance through the preface of this book is an eye-opener to the American of middle-age out of touch with students of "teen age." There has been a vast amount of effort put into the book, and over a period of seven years hundreds of schools have co-operated in the preparation of this course of study. Concepts, generalizations, historical themes, episodes, narratives, statistical and graphic exhibits, a vocabulary suitable for imparting facts to youth—these are a few of the subjects mentioned in the preface.

And the text makes us wish we were students again. The maps are fascinating, the charts clear and not too elaborate, the illustrations are authentic. Chinese scenes and people are shown from modern photographs, so that we do not find men with queues sitting on the floor to drink tea, or any of the strange things shown in some volumes.

The book is divided into twelve units, each of several parts. One of these units is entitled "China: a Changing Agricultural Civilization." The text is excellent, accurate in detail and stimulating to thought and an interest in the problems of the situation. The same can be said of the other units, while the appendix gives much important information in tabulated form.

The other volume, that entitled "A History of American Government and Culture" has as its sub-title, "America's

READERS of *The China Weekly Review* who may be interested in obtaining copies of any books which have been reviewed in these columns, may obtain them by sending their orders in care of *The Review*...If obtainable in Shanghai the books will be mailed immediately at retail prices prevailing in Shanghai, or if not obtainable here, they will be ordered from the publishers abroad. Send orders or inquiries to Book Editor, *The China Weekly Review*, 38 Avenue Edward VII, Shanghai.,

March toward Democracy." History, geography and civics are so blended into one course that the greatest amount of interest and inspiration can be aroused. The method is similar to that of the former book, and the general effect of the text is frequently much like that of Mark Sullivan's "Our Times."

We feel that the author and his assistants have blazed a new trail in this sort of presentation of social science. Their text books are primarily for young Americans, but should be useful to others who employ the English language. They are examples of what we should call "glorified school books." If John and Mary should leave one around the house some day we would not be surprised to see Dad browsing through it with interest and satisfaction. Lucky students, we say, to have a chance at such school books!

November, 18, 1931. G. B. S.

THE HISTORY OF THE TAONAN-ANGANGCHI RAILWAY

(*Continued from page 484*)

The first project is that of the Tsitsihar-Koshan Railway, north of the C. E. R., the primary object of which is to divert cargoes from the agricultural regions of Koshan and Baitsuyan to the Taonan-Angangchi Railway. Another project covers a small line, 200 km. long, from Taoan (north of Taonan) to Solun, in Inner Mongolia, but which has only been partly completed. Unlike the Taonan-Angangchi Railway the Solun line is being constructed on entirely Chinese capital, partly derived from the proceeds of the Peiping-Mukden Railway.

This narrative would be incomplete without saying a few words about the colonization of the Taonan-Solun region, the reclamation of which has made great strides forward in recent years. Before the construction of the Ssupingkai-Taonan-Angangchi railway the region represented a vast plain sparsely populated by roaming hordes of Mongolians, but now, since the construction of said railways, towns are cropping up here and there. The colonization of the district has taken a well planned aspect since the establishment of the Hingan Reclamation Bureau in Taoan (north of Taonan) under the leadership of General Chow Tso-hwa, once the commander of the artillery corps under Marshal Chang Tso-lin. At present much reclammation is being done in the valleys of the Nonni and the Torr rivers, where hitherto barren lands are being converted into fertile fields.

The primary purpose of the aggressive way of colonization of the region, and under semi-military organization, has been the strengthening of the frontier defences, inasmuch as some of tribes of Inner Mongolians, inhabiting that district, have been lately showing inclination to join hands with Outer Mongolians or to proclaim the independence of their territory. Now, with the uprising of a part of the Hingan Reclamation Army under General Chang Hai-pen, who has hitherto occupied the position of a military commissioner in Taonan, the district and the Taonan-Angangchi Railway have come to the fore in the public's attention. It seems that the recital of the history of this railway and the country it traverses is still a matter for the future.

Mukden, China, November 21, 1931.

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Men and Events

The American Consulate General in Shanghai is seeking news as to the whereabouts of Stewart Price.

C.V. Starr, president of the American Asiatic Underwriters, returned to Shanghai November 22 after a business trip to Hongkong and Manila.

Dr. W. W. Yen, the new Chinese Minister to the United States, was scheduled to depart from Shanghai November 27 enroute to Washington, D. C., to take up his new post.

Dr. Y. W. Wang, managing director of the Commercial Press, delivered a lecture on "Making and Distributing Books in China" at the Shanghai Foreign Y. M. C. A., Tuesday, November 24.

Don Tinling, freight traffic manager for the Ear East of the Dollar Steamship Lines, has returned to Shanghai from a holiday in the United States. He was accompanied by Mrs. Tinling and their three children.

Mrs. Nelson T. Johnson, wife of the American Minister to China, and Mrs. Paul W. Meyer, wife of the U. S. Consul at Nanking, were visitors in Shanghai during the week. They were guests at the Cathay Mansions.

Dr. George Y. Char of the Peiping Union Medical College passed through Shanghai during the week enroute to the United States on long leave. Dr. Char will visit various scientific institutions abroad. He expects to make the return trip to China via Siberia.

The distribution and awards to the Chinese exhibitors, under the presidency of Dr. Tsu Min-yee, Commissioner-General for the Chinese Government, at the Liege International Exhibition in 1930 will take place in the Shanghai General Chamber of Commerce at 10 a.m. Saturday, November 28.

Neilson Trusler Johnson, American Minister to China, and his bride, were dinner guests of the American community, and the American Chamber of Commerce at the American Club, Shanghai, November 23. C. H. French, president of the Ameriean Chamber of Commerce, delivered the speech of welcome.

G. Turner, general manger in the Far East of *Reuter's* for the past 11 years, having been appointed to a higher post in London, has been succeeded in said position by Christopher Chancellor. M. Cox, in charge of *Reuter's* Shanghai office since 1912, becomes manager of its Far Eastern news service.

For the convenience of Chinese students who either desire to study or are studying in Great Britain, a special office has been opened under the auspices of the Universities China Committee whose Honorary Secretary is R.T. Silcock, in cooperation with the Chinese Consul-General, Dr. C. Kuangson Young, at 3 Endsleigh street, London, W.C.I.

The British Consulate General at Nanking has been reduced to the status af a Consulate, this change, it is stated, being made in line with the recently announced British economy policy, Sir Meyrick Hewlett, the present British Comsul General at Nanking, is being transferred to Hankow. E. B. Ingram will carry on the British Consular work at Nanking.

H. F. Misselwitz, at present a member of the *United Press* staff in the U. S. A., formerly N. Y. *Times* correspondent in Shanghai, was married October 17 to Miss Ted Catherine Lowrance, daughter of Mr. and Mrs. Harvey G. Lowrance, of Thayer, Kan., at Pelham Manor, N. Y. The couple will reside in Washington, D.C., where Mr. Misselwitz will be attached to the *U.P.* bureau.

An unruly scene occurred at the Shanghai District Court November 25 when four pickets of the Anti-Japanese and National Salvation Association who had removd Japanese goods were fined $20, but with payment suspended for two years. The Municipal Police had brought the case as a test, charging robbery. Paul Y. Ru, assistant prosecutor, being threatened, was escorted from the court premises by the Police.

Sinclair Lewis, Thornton Wilder, Theodore Dreiser and 101 other prominent writers in the United States handed to the Chinese Legation in Washington November 22 a protest alleging that the International Police of Shanghai were indirectly responsible for the torture and death of a Chinese communist writer named Li Wei-sen, who it is alleged was buried alive after three weeks of torturing by the Chinese anthorities. *Reuter* says the reference is probably to Li li-sen, who according to latest information is in Moscow.

GEN. MA CHUN-SHAN, HEROIC DEFENDER OF MANCHURIA

(*Continued from page 480*)

wilds of the province to train militia and volunteers to stage a come-back and recover the lost territory."

Reading such patriotic utterances, one can not but be deeply impressed with his spirit of unselfishness and devotedness to the welfare of the country and can not but pay a tribute to his loyal service to the country. He knows neither territory nor party, neither position nor personal safety. He knows only that his duty is to defend his country and he is determined to fulfil that duty regardless of all consequences. Since he owes that duty to the country, he could not fail in that duty without betraying the trust of his people. He would rather stake his own life than to surrender his country to an alien foe. In his eyes, the policy of "non-resistance" is an act of cowardice and must be thoroughly condemned, especially when there is a justifiable cause. Although he has been defeated, his heroism and brave spirit have impressed an indelible mark on the minds of the people and already there are patriotic responses from his own comrades in arms. He has set an example of patriotism which is sure to be emulated by many others. Gen. Chang Fai-kwei, the commander of "Ironside" fame, has volunteered his assistance to him to fight the Japanese and petitioned the authorities to move his troops to Manchuria to join his cause.

Gen. Ma is no upstart and has achieved his fame through no mere accident or opportunism. He has had a brilliant record behind him during many years of loyal service to the country. Born at Huaiteh in Liaoning province in 1887, he has had a practical training in military service. Although he had little education in his younger days, he early won a reputation for bravery and gallantry in his tender years. He started as a common soldier and has worked up through the lowest ladder to his present eminent position. When he was little more than 20 years of age he entered the military service. He first joined the 2nd cavalry brigade of the National Army under the lateGen.Tao Pin-yin and won recognition for his services in suppressing bandits. His promotion was rapid and when he became a battalion commander, he was transferred to the army under the late Gen. Wu Chun-sen, Tupan of Heilungkiang, who was killed with the late Gen. Chang Tso-lin during the incident when the train on which they were travelling was deliberately wrecked in 1928, under circumstances that indicated Japanese participation. He distinguished himself in suppressing the White Wolf Brigands and was promoted a brigade commander. In 1929, he was appointed concurrently Garrison Commander of Heiho, a border district of Heilungkiang. Upon the outbreak of the Japanese irruption when the Three Eastern Provinces were deserted by all the responsible high officials, the heavy responsibility of defending Heilungkiang was thrown upon his shoulders. Immediately after the outbreak, he was appointed acting Chairman of Heilungkiang and now has been confirmed in that post. Gen. Ma is an expert shot and cavalry tactician. Riding on a horse galloping, he can shoot passing birds with a rifle in each hand and not miss his aim. His cavalry corps is amongst the best trained in the Marchurian Army. During the Tangshi and Makuchi battles, his cavalry demonstrated ingenious tactics and after repulsing the invading Japanese, captured two hundred Japanese soliders by a surprising cavalry charge.

Virulent Malaria in Honan Province

Reports received from various parts of Honan province by the Famine Relief Association indicate that the virulent malaria epidemic in that province has become less serious. However., in some places, the so-called "fly-snake plague" is still prevalent. The patients ususally die within 24 hours. The Famine Relief Association has discovered a specific for the cure of the disease. Due to this virulent malaria, more than 100,000 people have died in the Sinyeh Hsien region, South Honan. In all about one-third of the population succumbed. In reply to the request of the people for medicines at Nanyang, Sinyeh, Tangho, Tenghsien, Peiyang, Fangcheng, Chenping, Neihsiang, Tungpei and neighboring districts, the famine relief authorities have sent 100,000 doses of various kinds of medicines there and telegraphed General Sung Tien-tsai, commandant of the 75th division, to protect the medical distributors. According to statistics gathered by the Kaifeng medical study bureau, the number of the doctors in the city is 175, and that of medical shops, 74.

Who's Who in China

Yin Shih, judicial official; born at Wuhsing, Chekiang, in 1888; was graduated from the Nanyang College (now Chiaotung University), Shanghai; studied abroad for eleven years in England, France, Germany and Switzerland, receiving LL.B. degree from Laussane University (Switzerland) and being graduated from the Graduate School of Law of Paris University; since his return to China, he was successively appointed to the following posts: vice-director of Bureau of Law, Peking; professor of law of the Peking Government University; professor of law of the Judicial Officers' Training Institute; member of the commission for the rendition of the Mixed Court in Shanghai established by the Ministry of Justice at Peking; advisor to the Extrality Discussion Commission and to the Treaty Revision Committee of the Ministry of Foreign Affairs, Peking; judge of the Shanghai Provisional Court; presiding judge of the civil division of the Shanghai Special District Court; now president of the Shanghai 2nd Special Area District Court and concurrently presiding judge of the civil Division thereof; address: Shanghai 2nd Special District Court, French Concession, Shanghai.

Yin Shih
應時

應時，浙江吳縣人，年四十四歲，上海南洋公學畢業，留學英，法，德，瑞士各國前後共十一年，瑞士羅山大學法學士，巴黎大學博士學院法律科畢業，回國後，歷充前北京法律館副總裁，北京大學法律系教授，北京司法儲才館教授，北京司法部收回會審公廨委員會委員，北京法權討論委員會顧問，北京外交部條約研究委員會顧問，上海臨時法院推事，上海特區地方法院民庭庭長，現任上海第二特區地方法院院長兼民庭庭長

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WHY NOT COME AND TRY?

Anti-Japanese Education in Honan

Kaifeng, Honan, November 24.

With a view to teaching the Chinese public how to wipe out the national humiliations, the provincial educational board has instructed all the schools in the province to increase the school curriculum so as to study the history of the Japanese aggressions.

A Korean, named Ghin Hao-jan, head of the propagandist department of the Korean Association, has arrived here and will be invited to speak in the different schools on the subject of the Japanese atrocities. At the local District Kuomintang Headquarters, he stated that Korea will be able to help China with 200,000 soldiers, provided she declares war against Japan.

Exhibition of Japanese Goods

More than 3,000 specimens of Japanese goods have been collected by the provincial Anti-Japanese Association, and will be exhibted in the Industrial Hall of the Chung Shan Market-place in the city. The number of the sub-Anti-Japanese Associations which have been organized in the province is over 80.

Recently the Provincial Kuomintang has sent out two circular telegrams: (1) To petition the Central Government to appeal to the League of Nations to punish Japan, (2) To comfort General Ma Chan-shan, chairman of Heilungkiang, so as to encourage him to fight to the end for China's rights.

The group of students of the Feng Yung University, Mukden, who arrived here recently to give first hand information of the atrocities of the Japanese and to inspect the social conditions in the country, has in the meantime left for Hankow, via Chengchow.

Finances of the Province

According to Wan Wu, financial commissioner of the province, the revenues of the province in September were $615,000, expenditure $640,600; the revenues in October were $628,000, expenditure $565,000; the revenues of the first half month of November were $177,000, expenditure $236,216. The deficit is about $700,000, which has been borrowed from the Provincial Farmers' & Laborers' Bank. Mr. Wan also has announced that the revenues of the province must depend solely on public bonds and business taxes from now on up to the end of the current year.

Bandit Suppression Campaign Successful

The Panchuyuan village, a stronghold of the Communist bandits in South Honan, was captured by the 2nd and the 58th divisions with the help of an aviation squad and the guide of the so-called People's Army, November 10. More than 10,000 Reds were killed, and 15,000 piculs of rice seized.

An airship was used to suppress the bandits in the Paofeng Hsien region in West Honan. The bandit's headquarters were bombarded and about 300 of them were killed; 300 captives were rescued. The magistrate of the said hsien has appealed to the local military authorities to dispatch airships again and also heavy troops to suppress the remnants.

Wei Kuo-chu, a famous bandit ringleader in West Honan, leading about 3,000 men, was entirely defeated by the Government troops, under command of General Sung Tien-tsai, commandant of the 75th division, on October 27, in Paofeng Hsien region. According to the military authorities, General Sung captured a large number of guns.

Tsui Er-tan, a famous bandit ringleader in South Honan, leading about 20,000 men, who had caused considerable disturbances at Shangtsai, Shenchiu, Shangsui and neighboring districts at the beginning of the current month, has suddenly invaded the Anhwei region. The local military authorities have telegraphed General Chen Tiao-yuan, chairman of Anhwei province, to intercept him.

General Liu Feng-chi, commandant of the first cavalry division, has telegraphed the local military authorities' saying that more than 36 bandit leaders have been arrested and executed recently in Loshan Hsien region in South Honan. A considerable quantity of ammunition was seized from the bandits and many of their captives were rescued.

A prominent bandit leader, named Wang Hsung-chieh, who called himself "Chief Commander of the Self-control Army," and who had occupied Lushih Hsien capital in West Honan for sometime was arrested and executed on November 10 by General Ma Chirg-yuan, garrison commander of Sianfu. The remnants, several thousand in number, were dispersed. According to General Ma's report to the provincial government, about 3,000 captives were saved; 15,000 rifles, 4 pieces of artillery and 4 machine guns were seized. The severe fighting between General Ma and Bandit Wang continued from November 6 to 10. Some remnants of the bandits have hidden themselves on a little mountain, north-west of the Lushih Hsien capital. General Ma has already dispatched troops there to surround them.

Soviets Comment Bitterly on League's Action

Bitter comments are made by the Soviet Russian press on the decision of the League Council to send a special Commission to China. The following summary is supplied by the *Transocean* service:

The semiofficial *Istvestia* asserts that Japan has not the faintest intention of evacuating Manchuria and that the League certainly is not prepared to oust her from the unlawfully occupied territory of a neighboring nation. "The League of Nations has completely yielded to Japan," the editorial alleges, "and now proposes to send to China a special Commission with the powers and the functions of an ambulant research bureau. The withdrawal of the Japanese forces is no longer even suggested, which in itself furnished abundant proof for the inability of the imperialist powers to oppose Japan without quarreling amongst themselves. All these powers are now interested in is to grab some compensations from the growth of Japanese influence in China."

China's Impotency

"Japanese imperialism," the semi-official journal continues, "is quietly doing its work and consolidating its positions without fearing any interference from the League of Nations or the other imperialist powers. At the same time China has been reduced to utter impotency by her bourgeoisie and her military cliques."

Such a development, however, *Istvestia* goes on to insist, is likely to kindle the spark of rebellion in the Chinese masses, "and spur them into offering resistance to the invaders which might lead to the most serious consequences. Thus the situation in the Far East to-day is pregnant with ominous possibilities, which also appears from Mr. Hirota's statement which leaves a loophole for justifying a violation of the interests of the Soviet Union which owns and participates in the management of the Chinese Eastern Railway."

No Parallel with C. E. R. Affair

The editorial concludes with pointing out that "the situation is all the more serious, as the Japanese military pursues a highanded policy of its own and does not sufficiently consider the wishes of its government or the statements made by Japanese diplomats. Moreover, the anti-Soviet propaganda of the imperialist powers has inspired in the Japanese generals and in the imperirlist quarters backing them the idea that it would be easier to secure the consent of the Imperialist Powers to the seizure of the whole of Manchuria instead of only South Manchuria."

Pravda, the official organ of the Communist Party, says the references of the Japanese Ambassador (Mr. Hiroto) to his Government's position in the Sino-Russian conflict, made in the course of the recent exchange of notes, "is a clumsy attempt to make it appear as if the Soviet Union in some way is obligated to Japanese imperialism. In the face of this assumption it must be stated that the Sino-Russian conflict and the present Japanese invasion have nothing whatever in common. The object of the Soviets in 1929 was merely the restoration of normalcy on the Chinese Eastern Railway. The object of Japanese imperialism is to make Manchuria into a Japanese colony."

Japanese Occupy Hsinmintun

Japanese troops advanced a few miles down the Peiping-Mukden railway and occupied Hsinmintun Nov. 23. According to a Japanese official communique, this advance was necessary because the fighting at Kaotaishan caused the Peace Preservation Committee to desert at Hsinmin. The Japanese troops moved in "to maintain order."

A Tokyo telegram says the bulk of the Japanese forces at Tsitsihar have been withdrawn.

"Meet Force by Force"--- Wang Ching-wei

Wang Ching-wei, Kuomintang leader and one of the Canton delegates who has remained in Shanghai, gave a reception to the members of the foreign press at his residence in Shanghai November 23. Many questions were discussed, among them the Manchuria problem, the National Finance Commission, the boycott movement, the question about Gen. Yen Hsi-shan and Feng Yu-hsiang, and so on.

In regard to the Manchuria issue, Mr. Wang expressed himself as being opposed to the non-resistance policy adopted by the majority of the Manchurian military leaders and said that the Manchuria case is like one in which a house is being robbed by bandits and the only course for the house occupants to follow in such case is to meet force by force.

As regards the independence movement in Manchuria, the Party leader stated that the movement is different from that in Outer Mongolia and that the Chinese Government should in no circumstances tolerate such a movement being made a success in Manchuria because he told his guests, unlike Soviet Russia, Japan is trying to force the independence movement on the Chinese of the Three Eastern Provinces. Furthermore. he stated, there are more Chinese in the Three Eastern Provinces than Manchurians and that they speak the same language as the people of China Proper, so the Government cannot tolerate the act of Japanese in forcing its people to approve of an independence movement which they do not like.

Turning to the question of Gen. Chiang Kai-shek's announcement to proceed north to watch the developments in the Manchurian situation, Mr. Wang stated he had received a telegram from Gen. Chiang the previous morning, saying that Gen. Chiang is preparing to proceed north but he did not mention when he would leave. Mr. Wang added that Gen. Chiang would proceed to Peiping, not Mukden, but whether Gen. Chiang would go to Manchuria after his arrival in Peiping would depend upon future developments in the Manchurian situation.

Asked whether he favors a declaration by the National Government of an embargo upon the importation of Japanese goods because of the Sino-Japanese conflict, Mr. Wang replied in the negative because, he stated, this is a decision which should be left to the people to reach. If the people do not like Japanese goods, the Government cannot force them to buy goods which they do not like, Mr. Wong said.

In answer to a question about the newly-created National Finance Commission in Nanking, Mr. Wang stated he approved of the Commission so far as its principle is concerned, but that the organization of the Commission appointed by Nanking is slighty different from that proposed at the recent peace conference in Shanghai.

The Party leader was then asked to express his opinions regarding the rumor that Marshal Feng Yu-hsiang and Gen. Hsi-shan would re-enter politics shortly. Mr. Wang stated he did not oppose this providing the two military leaders would not rebel against the Central Government after re-entering politics. As a matter of fact, he stated, both the warlords favored the recent peace negotiations between Nanking and Canton and had sent telegrams to him, expressing their sympathy with the peace movement.

Wang Ching-wei Remaining in Shanghai

After touching questions on tariff autonomy and the conscription law, Mr. Wang, in answer to a question about the rumored resignation of Gen. Chiang Kai-shek as chairman of tho National Government, stated this question would be left for discussion by the Central Executive Committee to be elected by the National Congresses in Nanking and Canton.

Mr. Wang told his guests that he would remain in Shanghai and not return to Canton for the time being in order to wait for the election, by the Nanking and Canton Party Congresses, of members of the new Central Executive Committee. There in no definite date when he will leave for Nanking, he said.

The CHINESE NATION

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November 25, 1931.

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Eugene Chen's Apologia

Eugene Chen, Minister of Foreign Affairs of the so-called "National" Government at Canton, has authorized publication of the following report of his visit to Japan several months ago. The report was telegraphed from Canton on the evening of November 24 by the *Central Press* Agency.

When I assumed office as Minister For Foreign Affairs my first task was to formulate on behalf of the (Canton) National Government a foreign policy corresponding to the realities and needs of the historical period which necessitated the establishment of the National Government at Canton. After surveying the field of our foreign relations I came to the conclusion that while the dominant foreign issue during the Canton-Hankow period of 1926-7 was the question of the unequal treaties, today—when the revolutionary struggle with foreign imperialism was more specific than general—the dominant foreign issue was and is the question of our relations with Japan particularly in regard to Manchuria. I was forced to this conclusion by two considerations. First a study of the history of the past twenty years shows that Japan has been one of the major factors making for political instability of all government in China. The Japanese military, as distinguished from the Modern Japan represented by Baron Shidehara appear to believe that as long as China is unfriendly it is in the interest of Japan that China should be unquiet and disturbed. But without a reasonable period of peace it is impossible for any Chinese Government to begin the creation of those modern institutions which are the foundation on which alone a modern state and a modern government can be successfully established in China and in the creation of a modern state and a modern government in China—in the transformation that is to say, of China from a pre-modern state into a modern state—lies the salvation of China and the guarantees of her continued existence as an independent Kuomintang state, strongly based on the Three Principles of the People, and secondly Nanking has had no real policy towards Japan except the old discredited one inherited from the Peking mandarinate of delay and evasion. When a state that is militarily weak treats in this way a state that is militarily strong and paternal the law of disaster is certain to assert itself. In these circumstances it was thought that the policy which might bring about secular peace and avert disaster was to be found in the teaching of Dr. Sun, who envisaged a regime in the relations between China and Japan in which understanding and friendliness might replace mistrust and misunderstanding. He saw, may be with clearer eyes than his generation, that just as the peace and order of the system of Europe rested upon peace between France and Germany so the peace of Far Asia—which is a vital interest of nations—was conditioned by peace between China and Japan. It was for the purpose of finding out whether a new orientation in policy in this sense and direction was not only possible but feasible that the National Government authorized my visit to Japan in the summer. My instructions were embodied in a confidential memorandum which I prepared for the government before my departure. I quote from it:

***

Text of Confidential Memorandum

"I am proceeding to Tokyo to hold a set of confidential conversations with Baron Shidehara, Japanese minister for foreign affairs, on the subject of placing Chinese relations with Japan on a basis of permanent friendship, which was always desired by the Tsung Le Dr. Sun Yat-sen. In these conversations I shall introduce a modern note in that Baron Shidehara will be made to understand that he is dealing with a modern mind who on behalf of the National Government is prepared and ready to examine with him frankly and in a modern sense the possibility of a lasting agreement between China and Japan. A fundamental point to be made clear is that any settlement of the Chinese-Japanese problem which objectively means the practical annexation of Manchuria cannot be considered. It may be that the Japanese idea is to bring about such an annexation in the guise of economic rights and special privileges. A definition therefore of the phrases 'economic rights' and 'special privileges' will be sought as well as a geographical definition of Manchuria, which, so far as Japan is concerned, ought not to include Northern Manchuria. Another fundamental point to be emphasised is that owing to past and present difficulties with Japan no agreement with her can be real and effective unless such an agreement receives national assent. Without this national assent it may well be that the agreement will be repudiated by the nation, with the double result that, (a) anti-Japanese feeling may express itself in terms of boycott, strikes, etc, and (b) the National government itself, or individual members of it may be nationally discredited. We must be warned of the fate that overtook the Anfu government of Tuan Chi-jui with its Nishihara loans, etc. This means that the National Government must have something of a national mandate before beginning formal negotiations with Japan for an enduring agreement. One way to secure this is to base my conversations in Japan on a reasoned policy towards Japan and to incorporate it in the general declaration on foreign policy to be submitted to the Fourth National Congress of the Party to be held on October 10. If this policy is approved by the Congress formal negotiation with Japan will then follow."

***

My visit to Japan was already arranged when the Wanpaoshan incident in Kirin and the Chinese riots in Korea took place. There was a suggestion that it might not be expedient to proceed in view of the inflamed state of public feeling against the Japanese. I thought, however, that the visit should be undertaken because it was necessary to define our policy towards Japan when the national congress met on October 10 as then scheduled, and for this reason I decided to go as quietly as possible. Unfortunately the news was divulged by the time I arrived in Japan. In Tokyo I saw Baron Shidehara and had an exchange of views with him. The substance of my conversations with him as they related to Manchuria has been summarized in my note of protest to Baron Shidehara in connection with the present situation in Manchuria, the text of which was issued to the press on September 25 last. I quote the relevant passages in the protest:

Eugene Chen's Version of Conversations

"In our conversations had during my recent unofficial visit to Tokyo I stated that relations between China and Japan had been unsatisfactory for nearly a generation and I suggested that the time had probably come for a new orientation in policy in the sense of the teachings of Dr. Sun Yat-sen, whose conception of the relationship between the two countries, linked in certain respects by a common culture, envisaged a regime of understanding and friendliness instead of mistrust and misunderstanding in their international intercourse and I referred to what is known as the Manchurian question as the crux of all relations between China and Japan. I emphasised that no Chinese or group of Chinese or Chinese government could agree to a settlement of the Manchurian question, which involved the annexation or the practical annexation of Manchuria by Japan. I stressed another point. I said that no settlement of the question would be effective and real unless the Chinese Nation as a whole approved of it and I indicated that such approval would have to be secured through the submission of the terms of settlement to the Kuomintang in National Congress assembled. You replied that nothing could be further from the thought of the government of Japan than the annexation of Manchuria and if and when it became necessary your government would be prepared to declare categorically that Japan recognised Manchuria as an integral part of the Republic of China and had no wish or intention to infringe on Chinese territorial severeignty in the region. At the same time you pointed out that Japan had rights and interests in Manchuria, most of which are vested in her by treaty and all of which are the outcome of a long historical background. In further conversations with responsible members of the General Staff Headquarters and the War Office in Tokyo as well as with the official leader of the Seiyukai I satisfied myself that on this crucial point you appeared to express the governing mind of Japan."

***

I went to Japan—this point must be underlined—to secure information from Baron Shidehara regarding the real aim and policy of his government vis a vis China especially about Manchuria. The National Government

desired this information in order to decide whether the time had come for the adoption of the policy which Dr. Sun with the foresight and vision of a great civilized mind had pointed out as the way of peace and strength to his country. I had no instruction or authority to enter into any sort of negotiation with Baron Shidehara or any other Japanese nor did I attempt in fact to enter into any negotiation with any one in Japan regarding Manchuria or any other matter. All the reports therefore alleging that I visited Japan for some dark purpose—to make a deal in arms or beg for Japanese gold or sell Manchuria and so on are entirely false and largely the work of the publicity thugs. In view of the calamitous situation in Manchuria and the embittered state of the nation's feeling towards Japan and the Japanese I do not think it would evince a sense of reality to consider at the present moment the possibility of a new orientation of policy in the direction indicated by Dr. Sun. Those who hope for better things must wait.

EUGENE CHEN.

Sweet Consistency

(*From the Shanghai Evening Post and Mercury*)

Dr. Sze says China's attitude before the League Council has not changed because of the Manchuria inquiry commission proposal or other plans.

There is no reason why China's attitude should change, and every reason why the League should not try to persuade China toward a change. China has consistently taken the attitude that she was willing to let the League handle the Manchuria controversy, provided of course that her rights as a League member were preserved.

Japan's attitude has been that her League membership obligations were subject to alteration without notice if any given quarrel seemed to her to warrant such alteration.

If there is to be a change of attitude, let it be on the part of Japan toward the same basis of respect for League Covenant obligations that China has displayed.

Japan's contentions that China has violated treaty provisions will receive full consideration—but they are at the present time a secondary matter, however important. It is the Japanese who have committed the overt act which the League is trying to recitfy. The quicker the Japanese establish their own reputation for consistency by changing toward a position of League treaty observance, the quicker they will be in position to argue the question of Chinese over-stepping of Sino-Japanese treaties.

At the present time China has kept to the League and Kellogg pacts, the Japanese have not, and the only way the League can preserve its own consistency is to stand firm for Japanese change of attitude.

Why One Subscription to "The Review" Is Not Renewed

The treasurer of the Public Schools in one of the large cities on the Pacific Coast has written *The Review* that the School could not renew its subscription on account of the depression there making it impossible to raise the funds. The letter proceeded: "We have used the magazine in our Pacific Rim Classes and found it very helpful and informing."

Latest New York Stock Exchange Quotations

Market: Irregular **Business Done** 1,200,000 **Shares**
November 25

1930-1931 High	Low	Div.$ perSh.	STOCKS	Mon. Nov. 23	Tues. Nov. 24
28½	7	1.00	Adams Express	7¼	7½
182¾	68	*6.00	Allied Chemical & Dye	79⅝	81¼
42¾	14	1.00	Allis Chalmers	16⅞	17
129¾	71⅝	4.00	American Can	73¾	74⅞
51¾	10⅝	—	American &ForeignPower	11⅝	12
31½	4⅝	—	American& For. Power W.	6⅛	6½
58½	19¾	1.50	American Smelting	22⅜	24
201¾	121⅛	9.00	American Tel. & Tel.	130½	132⅜
132¾	74¾	*5.00	American Tobacco "B"	80½	81¼
80¾	22	3.00	American Waterworks	30⅝	32
43¼	12⅝	—	Anaconda Copper	13¾	14
87⅞	28	4.00	Baltimore & Ohio	28	27⅞
70⅜	24½	2.00	Bethlehem Steel	25¾	26⅜
76½	37	*3.00	Borden Company	47⅛	47½
20¾	9⅝	1.00	Borg Warner	12⅛	12⅝
45¾	11	1.25	Canadian Pacific Railway	14⅝	15¼
131½	33¼	—	Case J. I.	38¾	40⅛
54⅛	14¼	3.00	Chesapeake Corp	20½	22
25¾	11¾	1.00	Chrysler	15	15¼
20¾	5¼	*.30	Cities Service, Co.	5⅝	7⅛
45⅝	16⅝	1.50	Columbia Gas & Electric	20½	21⅝
12	1½	.30	Commonwealth &Southern	5⅛	5¼
2¾	⅝	—	" " warr.	¾	⅞
109⅝	61	4.00	Consolidated Gas. of N. Y.	63⅜	69⅛
12	5	—	Continental Oil	7	7¼
86⅝	37⅛	3.00	Corn Products	Mut.	Mut.
3⅞	1¾	—	Curtiss Wright Co.	1⅞	1⅞
78¾	42¾	4.00	Drug Incorporated	54½	56
107	54½	4.00	Du Pont de Nemours	57½	59½
185¾	93	*5.00	Eastman Kodak	98	100¼
61	14¾	6% S	Electric Bond & Share	16¾	17½
38⅜	5	—	Fox Film "A"	6⅜	6⅝
54¾	24⅜	1.60	General Electric	27¾	28½
56	30¼	3.00	General Foods	37	37½
48	22⅛	3.00	General Motors	25⅜	25¾
84⅛	23	5.00	General Railway Signal	25½	29¾
58¾	9⅜	—	Gillette	12	13
42½	18	2.50	Gold Dust	20	20⅜
20⅞	5	—	Goodrich Rubber	6½	6⅝
52¾	16	3.00	Goodyear Tire & Rubber	24⅛	24
22⅝	5¾	1.00	Granby	Unq.	7¾
62½	17	4.00	International Cement	21½	22
4	⅝	—	International Combu. Eng.	¾	¾
60½	22½	2.50	International Harvester	29	30
20⅛	7⅜	.40	International Nickel	8¾	9
38¾	14	1.00	International Tel.& Tel.	14⅛	12⅝
80¾	27⅛	3.00	Johns Manville	28⅛	28½
31½	10¼	1.00	Kennecott	12¼	12⅜
27¾	5½	1.61	Kreuger & Toll	7½	7¾
91	40	*4.00	Liggett & Myers, "B"	50¾	52¾
63½	27⅝	3.00	Loew's: Inc	38⅞	39
21⅞	10	—	Lorillard P. Co. (com.)	13	13½
19	5⅛	—	Ludlum Steel	6	Unq.
29¼	8⅝	—	Montgomery Ward	10⅞	Mut.
40⅞	15⅛	2.00	Nash Motors	18¼	18¾
14¾	5	.80	Nevada Consolidated Co.	5⅞	5⅞
132¼	35¾	4.00	New York Central	35¾	36
11	3½	—	North American Aviation	4½	5
54⅞	29⅝	2.00	Pacific Gas & Electric	36⅝	36¾
50¼	10⅜	10%S	Paramount—Publix Corp	12¼	12¾
64	26¼	2.00	Pennsylvania Railroad	26⅜	26
8½	3¼	.40	Pennroad Corporation	3¾	3⅝
16⅝	2¾	—	Phillips Petroleum	6¾	6⅞
96	51⅞	3.40	Public Service of N. Jersey	62	63⅝
27½	8¾	—	Radio Corporation	9	8⅛
24½	2½	—	Radio-Keith Orpheum	2¾	2¾
54½	35½	3.00	Reynolds Tobacco "B"	36¼	36⅞
63¼	31	*2.50	Sears Roebuck	38¾	40⅜
10¼	3¼	—	Shell Union	4⅜	4⅝
23⅜	8½	—	Simmons Company	9⅝	10½
26½	12⅛	1.00	Socony-Vacuum Corp.	12⅞	12⅞
54½	28⅝	2.00	SouthernCaliforniaEdison	33	34⅝
88⅜	29¼	3.50	Standard Gas & Electric	35½	36¼
53½	28¼	*1.00	Standard Oil of N. Jersey	32½	33⅛
36¼	15	2.00	Texas Corporation	18	18¼
55¾	300	3.00	Texas Gulf Sulphur	28¼	27⅞
18	3½		Trans America	3¾	3¾
72	27½	2.60	Union Carbide & Carbon	33½	35½
205⅛	89½	10.00	Union Pacific Railway	89½	97
38⅞	12⅛	—	United Aircraft& Transp't	14⅛	14⅝
31	10½	.75	United Corporation	11⅞	12⅛
37½	19⅝	1.20	United Gas Improvement	22¼	22¾
20⅜	5⅛	—	U.S. Rubber	6¼	6¾
152⅜	60¼	4.00	U.S. Steel	59⅝	61⅜
76¾	13¼	—	Vanadium	16	17¾
20⅜	4	—	Warner Bros. Pictures	4¼	4½
107¾	39⅛	2.50	Westinghouse E. & M.	38⅝	37¾
72⅝	42½	2.40	Woolworth	47½	47¾
11⅞	4	.40	*Packard Motors	5⅛	5

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Exchange Circular for the week ending Wednesday, 18th November, 1931.

Silver having risen as high as 21 9/16d. on the 16th inst. has since sustained a very heavy fall. The London/New York Cross rate is today 3.78¼, and the Yen Cross rate 49.54. The Council of the League of Nations is sitting at Paris concerned with the situation in Manchuria, which, as yet, appears to be far removed from a settlement.

Political steps are being taken by the Nationalist Government in Great Britain to prevent dumping, and aiming at the ultimate stabilization of the pound sterling.

The local money market is becoming tight: Native interest is rising: the Stock market is showing signs of weakness.

Silver:—Opened lower on the 12th inst. at 20⅝d. spot and 20⅝d. forward and U.S. $ 0.35⅜, and closes today at 18⅞d. and 18¾d. and U.S.$ 31⅛. China has bought and sold: India and the continent have bought: America has worked both ways. Only small offerings reported: Speculators have again played the major part.

Exchange:—The official T/T rate on London on the 12th inst. was 1/10d: raised on the 13th to 1/11d, but subsequently lowered to 1/10½d: on the 16th was raised to 1/11d, but later lowered to 1/10¾: on the 17th inst. to 1/9¼d. and 1/9d. and today to 1/8¼d.

The market opened on the 12th inst. very uncertain at approximately 1/10⅝d, U.S. $ 35⅞ and Yen 139. A strong tone developed and continued all day, rates at closing being as high as 1/11⅛d, U.S. $ 37⅛, and Yen 132½. Gold Bars opened at 612.50 and closed at 592½.

Our Stocks of Silver are reported as follows:—

Sycee and Bar Silver ... ... Tls. 61,805,000 a decrease of Tls. 1,302,000
Chineese and Mexican Dollars $ 185,430,000 an increase of $ 350,000
Estimated value Tls. 195,314,000 as against Tls. 217,613,000 held at this time last year

†	Average rates for Oct.	Thursday Nov. 12	Friday Nov. 13	Saturday Nov. 14	Monday Nov. 16	Tuesday Nov. 17	Wed. Nov. 18
Bank's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T on London	1/7.115	1/10	1/11 1/10½	1/10½	1/11 1/10¾	1/9¼ 1/9	1/8¼
D/Dfts ,,	—	1/10	1/11 1/10½	1/10½	1/11 1/10¾	1/9¼ 1/9	1/8¼
4 m/s ,,	—	1/10 1/16	1/11 1/16 1/10 1/16	1/10 9/16	1/11 1/16 1/10 1/16	1/9 5/16 1/9 1/16	1/8 3/16
T/T on India	106,740	121	126 123	123	126½ 125	116¼ 115	111½
T/T on France	788,192	882	923 903	898	920 910	857 847	813
T/T on N.Y.	31,038	34¾	36¼ 35¼	35	36 35 1/16	33 1/16 33	31¾
T/T on Demand		34¾	36¼ 35¼	35	36 35 1/16	33 1/16 33	31¾
T/T on Hamburg R. M.		147	152½ 149	148	151½ 150	141 139	134
T/T on H'kong	78,091	76⅜ nom.	76⅜ nom.	76¼ nom.	76½ nom.	76 1/16 nom.	76⅞ nom.
T/T on Japan	159,260	142	76 3/16	141	76½	76 11/16	156
T/T on Batavia	76,885	82½	137 140	88	138 140	149 151	79½
T/T on Straits	147,296	128½	90 88	125	90 89	83 82	139½
Bk's buying rates			123 125½		123 124	133 134½	
4 m/s B/L. Cred. &D/A							
4m/s B/L D/P	—						
6m/s ,, B/L Cred&D/A							
4m/s B/F Cred D/A or D/P							
4m/s N.Y.Lc							
4m/s ,, Docs	—						

† Based on Daily Official quotation, higher rate taken on rising Market, lower when falling.	Nov. 12	Nov. 13	Nov. 14	Nov 16	Nov. 17	Nov. 18
Bullion.						
*London Price of Bar Silver per oz. (English Standard 925 touch) Pence						
**New York Price of Bar Silver per oz. (Pure)	20¾	21 7/16	21⅛	21 3/16	18	18⅞
Shanghai Price of Gold Bars (weight Tls. 10 (Chauping) 978 touch)	G.$ 35⅜ Tls.	G.$ 36¼ Tls.	G.$ 35⅜ Tls.	G.$ 35½ Tls.	G.$ 32⅝ Tls.	G.$ 31⅛ Tls.
Shanghai Silver Bars (weight Tls. 100 (Canton) 999 touch)	592.80 Tls.	613.70 Tls.	603.80 Tls.	617.80 Tls.	643.70 Tls.	654.30 Tls.
Shanghai Mexican Dollars per $100	112.80 Tls.	112.80 Tls.	112.80 Tls.	112.80 Tls.	112.80 Tls.	112.80 Tls.
Native Bank Rate of Interest (Call money)	72.45	72.475	72.45	72.525	72.525	72.45
*Closing Price in London for Previous day	5%	5%	5%	6%	6%	6%
**Closing Price in New York for Previous day						

Bank of England rate of discount	6%	London on Paris	T/T 96.39
Bank of France rate of discount	2½%	New York on London	T/T 377½
London open Market of Dis. 3 m/s	5 9/16%	Bombay on London	T/T 1/6⅜
,, ,, 4 ,,		Hongkong on London	T/T 1/3¾
,, ,, 6 ,,	5 11/16%	Kobe on London	T/T 2/7¼

FEARON, MAITLAND and SHAW

The National City Co. Gold Bond Quotations Received From Head Office

November 19, 1931.

SECURITY	RATE & DATE DUE	Price	Approx Yield%
The National City Bank of New York	Stock	63	—
City of Antwerp	5 % Dec. 1, 1958	90	5.73
Argentine Government	6 % May 1, 1960	50	10.58
Canadian National Railway Co.	5 % Oct. 1, 1969	89¼	5.66
Chile Government ..	6 % Jan. 1, 1961	22½	—
City of Vienna	6 % Nov. 1, 1952	63½	10.27
City of Yokohama ..	6 % Dec. 1, 1961	80	7.72
German General Electric (A. E. G.)	6 % May 1, 1948	41¼	—
German Central Bank for Agriculture.. ..	6 % Apr. 15, 1938	47	—
Greek Government ..	6 % Feb. 1, 1968	63	9.70
Japanese Government	6½% Feb. 1, 1954	94¼	7.01
Kingdom of Italy.. ..	7 % Dec. 1, 1951	91	7.90
Lautaro Nitrate Co., Ltd.	6 % July 1, 1954	15½	—
Nord Railway Co. ..	6½% Oct. 1, 1950	102¼	6.25
Norwegian Hydro-Elec. Nitrogen Corp.. ..	5½% Nov. 1, 1957	75	7.75
Oriental Development Co..	5½% Nov. 1, 1958	73	7.94
Paris - Lyons - Med. Railroad Co.	7 % Sept. 15, 1958	103⅛	6.75
Republic of Costa Rica (Pacific Rwy.)	7½% Sept. 1, 1949	50	—
Republic of Finland ..	5½% Feb. 1, 1958	55⅜	10.49
Republic of Peru	6 % Dec. 1, 1960	14¼	—
Rhine Westphalia Electric Power Corp. w.w.	6 % Aug. 1, 1953	47½	—
Saxon Public Works ..	6½% May 1, 1951	35	—
Saxon State Mortgage Institution	6½% Dec. 1, 1946	48	—
Toho Electric PowerCo. Notes (Japan)	6 % July 1, 1932	89¾	23.57
Tokyo ElectricLightCo. (Japan)..	6 % June 15, 1953	64¼	10.93
Ujigawa ElectricPower Co. (Japan)	7 % Mar. 15, 1945	83	9.23
U. S. of Brazil	6½% Oct. 1, 1957	27¼	—
Anaconda Copper Mining Co.	Common Stock	14⅜	—
Baltimore & Ohio Railroad Co.	Common Stock	31⅜	—
Belgian National Rway. Pcptg. Pfd. Stock ..	6 % (Amn. Shares)	67¼	—
Pennsylvania Railroad Co.	Common Stock	28½	—
Socony-Vacuum Co ..	Common Stock	13¼	—
United Aircraft and Transport Corp. ..	Common Stock	15⅝	—
Chicago Rapid Transit Co.	6½% July 1, 1944	43	—
CubanDominicanSugar Corp.	7½% Nov. 1, 1944	7	—
Pennsylvania - Dixie Cement Corp.	7 % Cum. Pfd. Stock	7¾	—
State of Minas Geraes Series "A"	6½% Sept. 1, 1959	28	—

QUOTATIONS RECEIVED FROM LONDON OFFICE

Republic of China Gold Loan	5 % 1925	64½	—
Chinese Govt. Re-org. (£) Loan Stamped ..	5 % 1913/60	60¾	—
Chinese Govt. Re-org. (£) Loan Unstamped	5 % 1913/60	58¾	—
Chinese Govt. (Crisp Loan)	5 % 1912	39½	—
Shanghai Nanking Railway	5 % 1904/08	46½	—
Shanghai Hangchow Ningpo Railway ..	5 % 1908/38	65½	—
Hukuang Railway ..	5 % 1911/1951	21	—
TientsinPukowRailway	5 % 1908/1951	15	—

NOTE: The above quotations are received by cable and whilst believed to be correct, are not guaranteed.

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What the Ships Carry between America and China

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs Pieces; Mille—thousands;

PRESIDENT MONROE, Sept. 28.
(Agents: Robert Dollar Co.)
From U. S. of America.

Iron and Steel, Ungalvanized:		
Nails	*Pls.*	18
Tinned Plates, Plain...	,,	752
Copper Bars	,,	9
Aluminium Sheets	,,	8
Zinc Plates	,,	54
Canned Asparagus	,,	21
,, Fruits	,,	30
Borax, Crude or Refined	,,	336
Newspapers, Old	,,	3,780
Cigarettes	,,	173
Sugar, under Dutch Standard No. 11	*Pls.*	500
Cigars	*Mil's*	3
Cigarettes	,,	90
Rubber Tires, Pneumatic:		
For Motor-cars	*Pcs.*	162
Rubber Inner Tubes:		
For Motor-cars	,,	150
Automobiles, Parts of	*G. Units.*	1,435
Treasure:		
Silver Bars	*Hk. Tls.*	214,269

TSUYAMA MARU, September 29.
(Agents: Nippon Yusen Kaisha.)
From U. S. of America.

Cotton, Raw	*Bls.*	1,425	*Pls.*	5,083
Iron and Steel, Galvanized:				
Wire Shorts	*Pls.*			458
Bones, Cow	,,			301

NORDVARD, September 30.
(Agents: Melchers & Co.)
From U. S. of America.

Iron and Steel, Ungalvanized:		
Bars	*Pls.*	843
Tinned Plates Plain...	,,	1,799
Gum Resin	,,	1,185
Paper, Chipboard	,,	2,655
,, Printing	,,	84
,, Writing	,,	86
Ink, Printing	,,	129
Tobacco, Leaf	,,	3,820
Wax, Paraffin	,,	1,203
Motor Passenger Cars, and Chassis of	*Pcs.*	17
Motor-trucks, Chassis of	,,	30
Turpentine, Vegetable...	*Gals.*	183

NIEL MAERSK, September 30.
(Agents: Melchers & Co.)
From U. S. of America.

Kapok	*Pls.*	45

HOKUROKU MARU, October 1.
(Agents: Osaka Shosen Kaisha.)
From U. S. of America.

Iron and Steel, Ungalvanized:		
Tinned Plates, Plain...	*Pls.*	136
Glucose	,,	410
Petrolatum	*Pls.*	137
Tobacco, Leaf	,,	3,590
Wax, Paraffin	,,	5,243
Motor-cars	*Pcs.*	4
Rubber Inner Tubes:		
For Motor Cars & Trucks	,,	25
Rubber Tires, Pneumatic:		
For Motor Cars & Trucks	,,	34
Dyes, Aniline	*Pkgs.* 55 *G. Units*	4,861
Machinery	,,	25,878

PRESIDENT HOOVER, October 1.
(Agents: Robert Dollar Co.)
To U. S. of America.

Tea, Black, other kinds, Hankow	*Pls.*	224
Tea, Green:		
Other kinds, Ningpo...	,,	318
,, ,, Shanghai	,,	4
Gunpowder, Ningpo...	,,	111
Silk Pongees, Honan	,,	33.29
Silk, Raw, Steam Filature:		
Yellow, Chungking, etc.	*Bls.* 75 ,,	74 80
White, Shanghai	,,580 ,,	570.82
Yellow, ,, ,,	40 ,,	39.28
Chinaware	,,	127
Hats, Hemp	*Pcs.*	6,000
Skins, Lamb, Untanned	,,	9,450
,, Sheep ,,	,,	5,020
Skin Mats, Kid, Untanned	,,	6,000

PRESIDENT JACKSON, Oct. 2.
(Agents: Robert Dollar Co.)
From U. S. of America.

Apples, Fresh	*Pls.*	17
Canned Fruits	,,	220
Fruits, Dried	,,	227
Grease	,,	64
Milk, Condensed	,,	38
Oranges, Fresh	,,	178
Paints, Unclassed	,,	24
Paper, Bond	*Pls.*	11
,, Printing	,,	18
,, Writing	,,	18
Raisins	,,	38
Rope, Cotton	,,	13
Soda Ash	,,	840
Sugar of Milk	,,	84
Motor Passenger Cars	*Pcs.*	9
Motor-trucks, Chassis of	,,	14
Rubber Tires:		
For Motor-cars	,,	334
Rubber Inner Tubes:		
For Motor-cars	,,	167
Hats	*Doz.*	13
Lemons, Fresh	*Mille*	20
Coffee	*Catties*	435
Chocolate	*Lb.*	1,000
Oil, Lubricating, Mineral	*Galls.*	51,799
Motor-cars, Parts of	*G. Units*	2,265
Dyes, Aniline	*Pkgs.* 10 ,,	669

TYNDARENS, October 3.
(Agents: Butterfield & Swire.)
From U. S. of America.

Cotton, Raw:		
American,	*Bls.* 2 *Pls.*	6
Wheat	,,	118,108

CORNEVILLE, October 5.
(Agents: O. Thoresen & Co.)
From U. S. of America.

Timber, Softwood:		
Merchantable	*Sup. ft.*	459,327
Ordinary, Sawn	,,	1,738,156
Timber: Laths	*Pcs.*	500,000

PRESIDENT JEFFERSON, October 6.
(Agents: Robert Dollar Co.)
To U. S. of America.

Silk, Raw, Steam Filature:		
White, Shanghai	*Bls.* 85 *Pls.*	83.40
Silk, Waste:		
Shanghai	*Bls.* 18 ,,	52.97
Silk Embroidery	,,	0.74
,, Piece Goods	,,	0.56
Tea, Green:		
Gunpowder, Ningpo...	,,	726
Wool, Sheep's	,,	300
Skins, Lamb, Untanned..	*Pcs.*	6,800
Treasure:		
Gold Pars	*Hk. Tls.*	6,453 038

WICHITA, October 7.
(Agents: American Pioneer Line.)
To U. S. of America.

Tea, Black, other kinds, Kiukiang	*Pls.*	32
Tea, Green:		
YoungHyson, Hangchow	,,	114
Gunpowder, Hangchow	,,	403
Silk, Raw, Steam Filature:		
White, Shanghai	*Bls.* 75 ,,	73.53
Silk, Refuse:		
Other Ports	*Bls.* 20 ,,	59.89
Bristles	,,	100
Brassware	,,	36
Feathers, Goose	,,	50
Hair, Human	,,	171
Oil, Wood	,,	6
Skins, Rabbit	*Pcs.*	50,000

PRESIDENT MADISON, Oct. 8.
(Agents: Robert Dollar Co.)
From U. S. of America.

Copper Ingots	*Pls.*	420
Apples, Fresh	,,	151
Canned Fruits	,,	45
Herrings, Salt	,,	66
Flour, Wheat	,,	277
Milk, Evaporated	,,	234
,, Condensed	,,	252
Paper, Bond	,,	273
,, Box Board	,,	32
,, Printing (Wood free)	,,	964
Varnishes	,,	28
Timber, Ordinary, Sawn, Softwood	*Sup. ft.*	54,900
Motor-cars	*Pcs.*	3
Automobiles, Parts of	*G. Units*	2,636

SILVERYEW, October 9.
Agents: Glen Line Eastern Agencies, Ltd.
From U. S. of America.

Machines, Sewing	*Pcs.*	250
Cotton, Raw	*Bls.* 6,728 *Pls.*	23,738
Iron and Steel, Galvanized:		
Pipe Fittings	*Pls.*	44
Grease, Lubricating, Mineral	,,	6
Newspapers, Old	,,	2,100
Paper, Printing	,,	423
Petroleum, Grease	,,	31
Sulphur Black	,,	670
Tobacco, Leaf	,,	2,925
,, Scraps	,,	1,543
Oil, Lubricating, Mineral	*Galls.*	8,876
,, Kerosene, in Case	,,	151,500
,, ,, ,, bulk	,,	27,270
Liquid Fuel	*Tons.*	1,178
Dyes, Aniline	*Pkgs.* 50 *G. Units*	3,101
Machinery, & Parts of	,,	18,136

STEEL MAKER, October 9.
(Agents: U. S. Steel Products Co.)
From U. S. of America.

Iron and Steel, Ungalvanized:		
Hoops	*Pls.*	84
Sheets and Plates	,,	1,177
Pipes and Tubes	,,	248
Tinned Plates, Plain...	,,	5,828
,, Wire	,,	146
Nails, Wire	,,	375
Iron and Steel, Galvanized:		
Sheets, Plain	,,	1,162
Pipes and Tubes	,,	224
Steel, Bamboo	,,	2,927

EMPRESS OF CANADA, Oct. 12.
(Agents: Canadian Pacific S. S. Co. Ltd.)
To U. S. of America.

Tea, Scented, Foochow..	*Pls.*	8
Silk Pongees, Manchurian	,,	0.91
Silk, Raw, Reeled from Doupions:		
Shanghai	*Bls.* 20 *Pls.*	19 91
Silk, Raw, Steam Filature:		
White, Shanghai	*Bls.* 70 ,,	69.82
Hair, Human	,,	51
Hats, Hemp	*Pcs.*	12,000
Skins, Lamb, Untanned	,,	3,000

PRESIDENT VAN BUREN, October 12.
(Agents: Robert Dollar Co.)
From U. S. of America.

Cotton Muslins, White...	*Pcs.*	119
,, Piece Goods White	*Yds.*	600
,, Blanket Cloth ...	*Pls.*	6
,, Blankets	,,	3
,, Raw	*Bls.* 500 ,,	1,838
Iron and Steel, Ungalvanized:		
Pipe Fittings	*Pls.*	5
Tinned Plates, Plain...	,,	450
Tinfoil	,,	3
Apples, Fresh	,,	30
Canned Awabi	,,	12
Barley	,,	1,500
Canned Fruits	,,	116
Fruits, Dried	,,	15
Grapes, Fresh	,,	72
Grease	,,	19
Hides, Cow	,,	275
Ink, Printing	,,	33
Leather, Calf and Kid ...	,,	7
,, Cow, Patent ...	,,	7
Margarine	*Pls.*	8
Oranges, Fresh	,,	538
Raisins, Dried	,,	11
Seed, Unclassed	,,	17
Shrimps, Dried	,,	140
Soap, Household	,,	5
Twine	,,	3
Bags, Leather	*Pcs.*	144
Motor-car Chassis	,,	3
Motor-cars	,,	26
Typewriters	,,	32
Oil, Linseed	*Galls.*	182
,, Lubricating, Mineral	,,	7,508
Paints:		
Enamels	,,	284
Varnishes	,,	100
Unclassed	,,	492
Rum, for Tobacco Flavoring	,,	4,002
Machinery, & Parts of	*G. Units*	15,524
Motor-cars, Parts of	,,	956

EMPRESS OF RUSSIA, Oct. 13.
(Agents: Canadian Pacific S. S. Co. Ltd.)
From U. S. of America.

Lead, Pig	*Pls.*	1,176
Zinc Slabs	,,	420
Cobalt, Oxide of	,,	8
Paper, Sulphite	,,	1,321
Tobacco, Prepared	,,	184
Motor-cars	*Pcs.*	9
Motor-trucks, and Chassis of	,,	10

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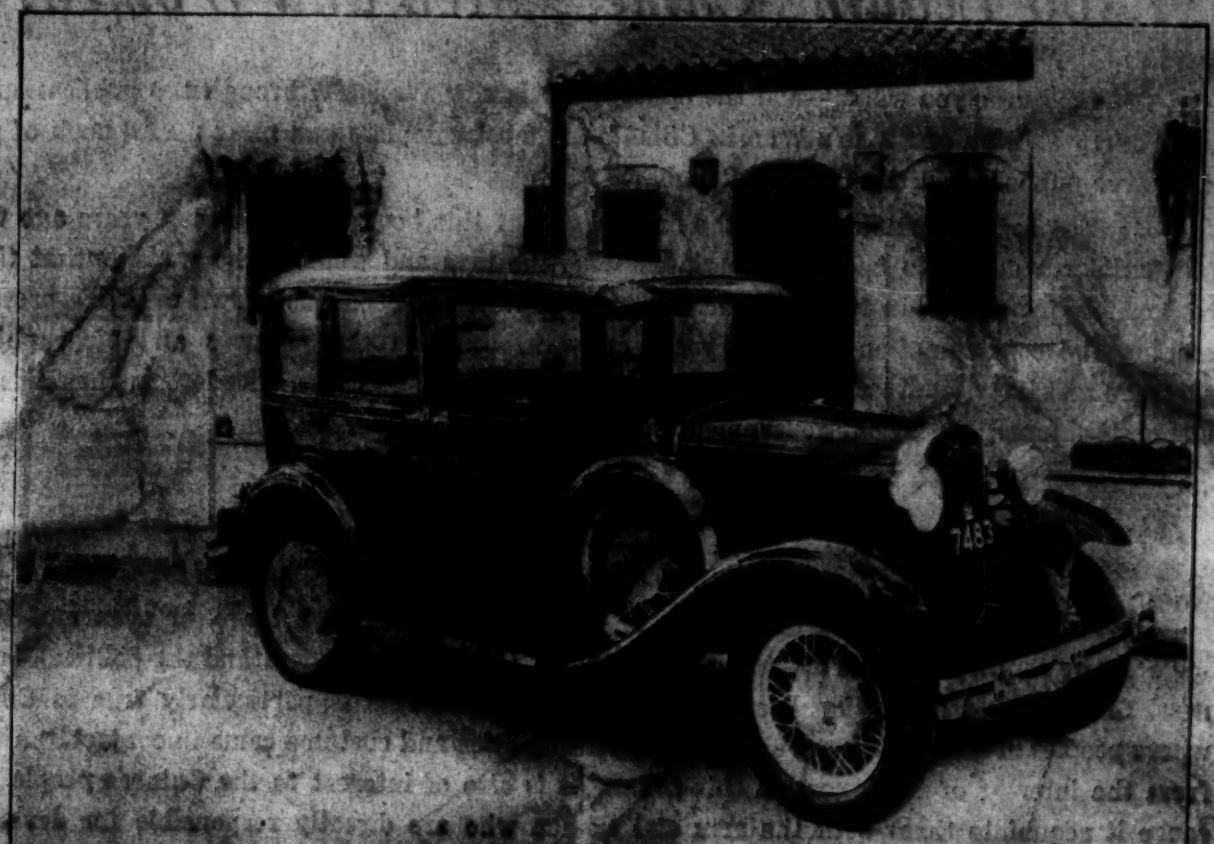

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